

The Howey Political Report



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“QUOTE” OF THE WEEK

“We can be bold. We can be heroic....”

- Senate Finance Chairman Larry Borst, on the competing House and Senate tax plans, which he said Gov. O’Bannon can pick which one he likes best and go out and get the necessary votes.

4 unpainted corners at the Statehouse

The era of Leadership Deficit

in a secondBy **BRIAN A. HOWEY** in Indianapolis

Here are the four unpainted corners at the three-ring circus we know as the Indiana Statehouse.

The broad center of the floor of tax restructuring is freshly painted, of course, gleaming and wet. Those who venture out before the paint dries will leave an indelible trail, potentially distinguishable by voters next November, or possibly as late as 2004.

In our corners are Gov. Frank O’Bannon in one; Speaker John Gregg and Reps. Dale Sturtz; the Senate Republicans in a third; and David McIntosh in the fourth.

Here’s why we’ve painted these Hoosier leaders in these corners, in this, not the Golden Age of Indiana Politics as we once observed, but the Era of Leadership Deficit.

Corner No. 1, Gov. Frank O’Bannon: It was a pleasurable experience chatting with the governor as he stood on the Indiana Convention floor as countless Democrats came up to greet him. Despite the troubles at the circus, it was obvious that Indiana Democrats love Frank and Judy O’Bannon. Watching their faces glow, face after face, brought up thoughts of what could of been ... or what might still be.

What perplexed us most was that after Lt. Gov. Joe Kernan came up with a tax restructuring plan that credibly launched the project, the governor didn’t take off to the four corners of the state in campaign vigor, creating the consensus from the grassroots. He didn’t send Joe Kernan on a Hoosier version of the John McCain “Straight Talk Express” to explain the process. He didn’t reach out to legislative leaders or even the rank and file until way late in the regular

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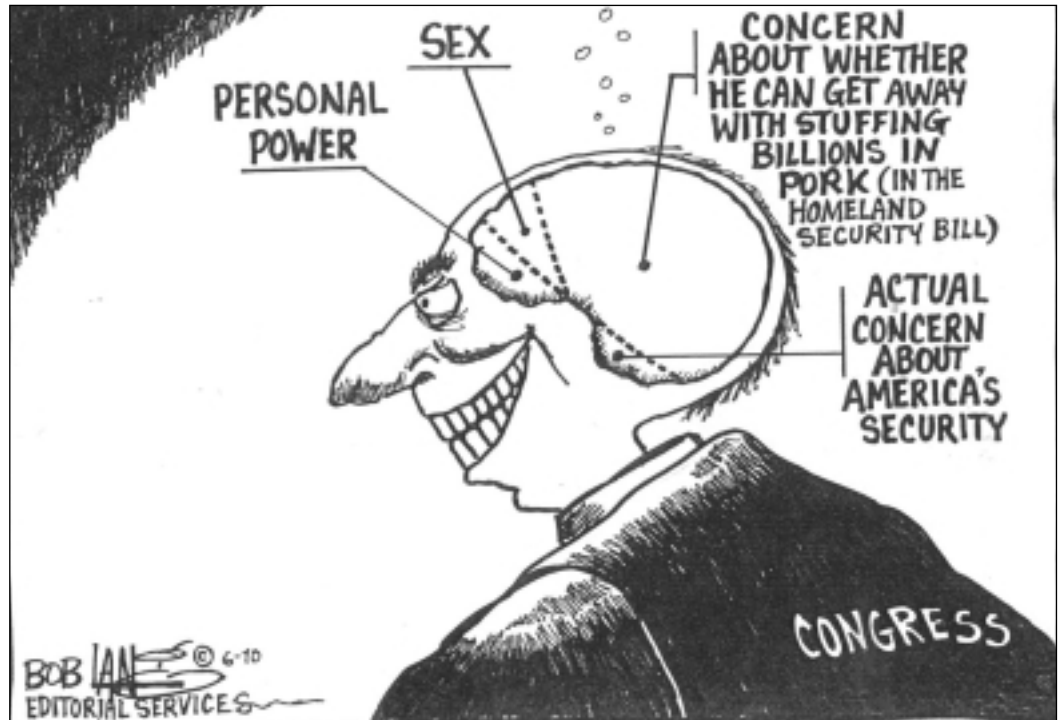
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GARTON, BORST MEET WITH O'BANNON, KERNAN: Senate President Pro Tempore Robert D. Garton, R-Columbus, said he and Borst met with O'Bannon and Lt. Gov. Joseph Kernan for about 45 minutes Tuesday morning and went over the GOP plan. "We told him we met his three goals for calling the session: job creation and economic development; protecting homeowners; and addressing the budget shortfall," Garton said (Corcoran, Indianapolis Star). The Senate GOP proposal would leave O'Bannon with \$339 million to \$470 million a year to deal with the state's budget crisis, forcing deeper budget cuts. That's about \$1.8 billion less than the House-passed version of House Bill 1001 included to resolve the budget crisis. Unlike House Democrats, who proposed restoring more than \$100 million of O'Bannon's budget cuts, Senate Republicans want to restore only the \$50 million O'Bannon eliminated from the 21st Century Research and Technology Fund. In the end, Borst said, the House and Senate will pass two different approaches separated by Republican and Democratic philosophy (Niki Kelly, Fort Wayne Journal Gazette). At that point it will be up to O'Bannon to decide which one he likes best and go out

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session.

Then he promised a plan by the beginning of the May 14 special session, which never came. Now, tax restructuring seems to be a ping-pong contest between Bauer and (pick one) Sens. Borst, Meeks or Garton (we're not sure who's really in charge over there). Borst was correct when he told Lesley Stedman of the *Louisville Courier-Journal*, "The success of the session depends on the governor. This is the governor's session. It's up to him." On Tuesday, Borst suggested dueling and vastly different House and Senate plans, with the governor picking one and lining up support, a tall, tall order the governor's staff may not have the expertise to pull off.

To date, we don't know where the line in the sand is drawn (pull tabs? French Lick? Dockside? 7 cents of gasoline tax?) At least Gov. O'Bannon has made it abundantly clear that if Special Session No. 1 goes up in flames (as it might), there will be a devilish Son of Special Session.

But with the paint glistening at his feet, the corner O'Bannon finds himself in now is this: He has to sign virtually anything that hits his desk. For him to remain

num, then veto a plan with pull tabs would destroy him politically, and Indiana ends up with a crippled governor with 2 1/2 years left in his term.

Corner No. 2, Speaker Gregg, Rep. Sturtz: The little stunt last Thursday (*Where's Dale? Where's Dale?*) was almost too cute. So Rep. Sturtz evaded a vote for a tax increase during the regular session. At a time when there have been multiple calls for "courage," the Sturtz stunt was sad, sad, sad. It's even sadder to hear Sturtz say he can't vote for a cigarette tax increase because it will cost convenience stores along the Michigan line thousands of jobs (yes, let's sacrifice the life sciences corridor for *cigarettes*, speaking of priorities askew.)

The corner Sturtz finds himself in is that the paint will still be fresh on June 22, Deadline Day. A bill comes down and it's Operation Barbarosa for Dale. Does anyone think that House Republicans are going to let Sturtz pull that stunt again when the Big Cahuna comes down for a final vote?

Speaker Gregg finds speckles of paint on his shoes for voting against HB 1001ss because of the gaming expansion, this coming after Democrat after

Democrat came to the podium and spoke of making "tough choices." With Gregg voting no, he exposed other Democrats such as Rep. Peggy Welch, who could be in for a tough re-election battle. And how does Gregg hold his caucus together at the end if he's not there himself?

Corner No. 3, Senate

Republicans: Who's on first? Borst? Meeks? We're not sure. On Tuesday, it seemed to be Borst. What we do know is the most recalcitrant caucus (with the least to lose) seems to be dogmatically disengaged and grousing. Sen. Steve Johnson traces his primary loss to the tax issue, when most of the rest of us know better. Sen. Garton seemed to be talking beyond his dream for a quorum when he said that if the Senate received a bill from the House, it would pass one out.

If the "Where is Dale?" dilemma wasn't thrilling enough, how the Senate Republican caucus processes HB 1001ss will be fodder for a sequel. In the regular session, Sen. Borst displayed the most statesmanship of the bunch, but oversold his plan to caucus and left him virtually no room to compromise.

The Senate Republicans recognize there is a real budget meltdown and something must be done. They're also credible on the spending cap front as well as an end to the inventory tax. But with David McIntosh pushing for a GOP convention plank against any new spending, the whole process could be much more complicated by next week.

How this gets done in the upper chamber will be tricky. Getting past the conference committee showdown with Bauer is the epic question. And who will be the lead negotiator? Meeks, who was devoured by Bauer in 2001, and recognized it before his signature dried? Bauer presented a bloated HB 1001ss on Tuesday to the Senate Budget Committee, and he's left himself a lot of room to forge a compromise. And isn't it that torrid 2001 biennial budget (that Gov. O'Bannon let become law with no ink) that got us in

this despicable position in the first place? The Era of Leadership Deficit began with Meeks' pen stroke and O'Bannon's willingness to look the other way. Now these same men face a situation where they have to be thoroughly atop their game and ready to be recorded in history.

Corner No. 4, David McIntosh:

If there is one area where the 2000 Republican gubernatorial nominee has a credibility problem, it's on the subject of state taxes. His 2000 campaign was devoured by the issue, which was so haphazardly researched that he was doomed by July of that year. There was no way he could have pulled off his "25 percent property tax cut -- guaranteed."

This week, he brings in a dogmatic view of the Hoosier world: No New Taxes. Period. It puts McIntosh virtually alone in the world where even the Senate Republican leadership now realizes there's a budget deficit problem (here and in about 40 other states, which is what happens during a recession).

McIntosh could have stressed the spending cap issue, which is credible. But charging into the Republican convention seeking signatures on a Taxpayer Protection Pledge could divide the GOP. Asked if could further split the Senate caucus, Sen. Murray Clark responded, "It might." McIntosh has already been rebuked by Borst and other Republican leaders, and he risks taking himself out of gubernatorial contention if he is rebuffed, or if he succeeds and the state plunges deep into crisis next year. If McIntosh succeeds in driving the Senate and House Republicans out of the compromise mode, he's going to find it difficult to raise money for 2004 from many of the industrialists and business leaders who are pressuring the GOP to do their jobs and get a plan passed.

The Fifth Corner: The IMA's Pat Kiely was as gleeful as he could be over the last Bauer compromise, saying it was great for industry. But how many votes did he produce in the House? ❖

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and get the votes, he said.

SENATE REPUBLICANS TO REJECT GAMING: Senate Finance Chairman Larry Borst, R-Greenwood, said Tuesday that Indiana should not rely on money from expanded gambling to pay for general government services and rescue the state budget from crisis. "I think it would be bad public policy if we would," Borst said after the committee took nearly four hours of testimony on House Bill 1001 (Lesley Stedman, Louisville Courier-Journal). "I would like to go along (so) that if every riverboat somehow sank, and we were growing corn and beans on every race track, that the state of Indiana wouldn't suffer at all." Borst would not be surprised if most of the gambling provisions are added when the full Senate has an opportunity to amend the bill Monday (Shannon Lohrmann, Lafayette Journal & Courier). Borst said the Senate Republican plan also will phase out the inventory tax and expand a tax credit for companies that invest in research and development. But he said it also will eliminate the corporate gross income tax, which business opposes because it is based on a firm's revenue before expenses and has no relation to profit. The bill also will include a tax credit

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for individuals and businesses that provide venture capital -- or seed money -- to fledgling businesses. It would restore the 21st Century R&D Fund. The GOP plan would keep the state's homestead credit at 10 percent; increase the renter's deduction by \$500, to \$2,500; and tie the state's Earned Income Tax Credit to 4 percent of the federal credit. And it would eliminate the corporate gross income tax, cut the inventory tax by two-thirds and make a research-tax credit permanent at 10 percent.

BAUER DEFENDS BILL: House Ways and Means Chairman Rep. B. Patrick Bauer, D-South Bend, defended his bill, calling the spending moderate when compared with about \$900 million in cuts and transfers Gov. Frank O'Bannon has announced. "To get 51 votes you have to do those things, you have to soften the blow," he said during the Senate Finance Committee meeting (Niki Kelly, Fort Wayne Journal Gazette). "This bill came with pain . . . and whether you like it or not, that's what it is - a budget bill." The exchange between the two fiscal architects was pointed but jovial, and included several political barbs along the way. Bauer talked briefly about posturing that is going on for the November elections and the 2004 governor's race. "You have col-

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4 eye multiple convention ballots

By **BROOKE BOEGLIN**

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INDIANAPOLIS - With the Indiana Republican convention just hours away, the race for the Republican nomination for Secretary of State is picking up momentum and angst with no clear frontrunner two days out. While the contributions are increasing and the endorsement lists are lengthening, the exchange of words between campaigns is also intensifying. "The gloves are coming off and people are taking a few swings," said Dr. John McGoff, the Marion County coroner and one of the four candidates vying for the nomination, which needs 1,039 votes.

Each of the four candidates -- McGoff, Mike Delph, Richard Mourdock, and Todd Rokita -- have pledged that they will support the candidate who wins. This unity will be necessary in order to take on the strongly supported Democratic Bloomington Mayor John Fernandez.

This nomination could come down to who can present the best speech to the caucuses and the most organized floor operation in what is expected to be a multiple ballot fight.

Here is the pre-convention outlook:

Mike Delph

Delph has been a quiet candidate. Over the course of his campaign Delph has released endorsements from Carol McDowell, vice chair of the Elkhart County GOP and former candidate for mayor, John Fultz, former Washington County chair and current 9th District treasurer; Marion County Sheriff Jack Cottey and sheriff nominee Tom Schneider, and from his boss, U.S. Rep. Dan Burton.

Burton recorded a phone message that was directed at the homes of all delegates. "He has a plan," Burton says in the message. "I'll look forward to talking with you further at the convention. Thanks a million."

Weeks ago, Delph told *HPR* "You

won't see a sheet with a bunch of names endorsing me. The only sheet I need is the vote on the 14th."

Delph released the Delph Plan last week, which includes goals of election reform, voter participation, eliminating unfunded mandates, and promoting fiscal discipline in government. "We are the only one to put out a plan," Delph said. "It was the result of two years of talking to chairmen, party activists and delegates."

"We're very encouraged," Delph said Monday morning. "We think the delegates are going to warm up to our message. We are looking forward to Friday."

Delph said that Tim Harris of the Indiana Family Institute would head up his floor operations on Friday at the Republican convention. Also joining that effort will be Mike Bailey, the 2000 9th CD nominee and noted pro-life activist.

Dr. John McGoff

With a fresh list of endorsements and a campaign staff ready to take on the convention floor, McGoff is confident.

In charge of McGoff's floor operations will be those members of his campaign staff who have been with him all along, including Tim Sadler, McGoff's campaign coordinator, and Chris Faulkner, who served in Chris Chocola's 2000 campaign for Congress. "We are asking the delegates to look at who will win in November," said McGoff.

Recent endorsements added to McGoff's list include State Sen. Marv Riegsecker, Greensburg Mayor Gary Bailey, Sullivan Mayor Niel Heape, Lawrence Township Assessor Paul Rickens, Allen County Sheriff Jim Herman, Rep. Mike Murphy, and State Sen. Mike Young.

McGoff enters the convention with perhaps the most prized endorsement an Indiana Republican can have, that of beloved former Gov. Otis R. Bowen, along with that of former secretary of

state and Gov. Edgar Whitcomb. Back in the 1970s, Bowen could sway a number of delegates simply by standing outside of a particular candidate's courtesy suite, greeting delegates. Whitcomb said, "It is rare that I endorse anyone for statewide office, but I have found Dr. McGoff to be a rare candidate."

Marion County GOP Chairman John Keeler tried to persuade his delegation to support McGoff, but Cottey and Schneider refused to go along.

McGoff also picked up endorsements from State Sen. Larry Borst, Elkhart Councilman Tim Neese, Fort Wayne Councilman John Crawford, and Ellen Record, former president of the Indiana Federation of Republican Women.

Richard Mourdock

On Thursday evening, Mourdock will deliver the message to the caucuses that he has emphasized all along -- experience. Jim Holden, Mourdock's campaign manager, is confident that Mourdock's energy, style, and delivery will put him ahead of the other candidates.

"We're going to do as well as we possibly can on first ballot and I think we'll be in the lead," said Holden. "I see it very likely that this will go to a second ballot and we're prepared for that."

Murdock's floor operations consist of a coordinator in each of the nine

Congressional districts with a team underneath each coordinator, which Holden feels "will definitely match up to the other candidates."

Recent endorsements to the Mourdock campaign include that of former Kent Benson campaign chairman Jim Bopp. Former Gov. Robert D. Orr is expected to conspicuously push the Mourdock bid. He has also received endorsements of 23 county chairs, including two recent ones from Northern Indiana, suggesting a geopolitical breakout.

Todd Rokita

In his caucus speech, Rokita will speak of the future of Indiana's Republican Party and the role that the Secretary of State's office will play. Rokita believes that his visionary speech will become his own future.

Rokita will use a detailed network of several county coordinators along with 10 district coordinators for his floor operations. Accompanying the team will be former Secretary of State Bill Salin and current Secretary of State Sue Anne Gilroy. He is also touting support from a number of county recorders, who must work closely with the secretary of state.

Rokita and Mourdock have been trading shots this past week over finances, suggesting they perceive each other as their primary threats. ❖

Secretary of State 2002: Republican: Mike Delph, Deputy Secretary of State Todd Rokita, Richard Mourdock, Dr. John McGoff. **Democrat:** Bloomington Mayor John Fernandez. **Libertarian:** Rebecca Sink-Burris. **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:** A couple of weeks ago, this looked to be a showdown between Mourdock and Rokita. But McGoff appears to be the candidate who has built up momentum, possessing the prized endorsements of Govs. Bowen and Whitcomb. Bowen, in particular, will carry huge clout with delegates. The Marion County leadership also indicated support for McGoff, though it doesn't look like that will be a united caucus. Mourdock is working off a Southwestern Indiana power base but is beginning to pick up endorsements from the north. At this point, a Mourdock-McGoff showdown looks to be the likely first ballot result, with a likely wrap on the second ballot. Delegates get antsy (like the dozens who left after the first ballot of the 1996 LG race), so the critical minutes will occur right after the first ballot. **Status:** *Tossup.*

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leagues in the state who believe helping the state is a bad political move. I think good government is good politics," Bauer said. "This is about whether the state can function, not whether (O'Bannon) can have a legacy." Borst, meanwhile, noted that several Democrats did not vote for House Bill 1001. He also said later that the legislation is full of items to get Bauer elected speaker of the House. While Borst said he isn't "throwing away the whole House bill," he enumerated several changes that will likely make the current version unrecognizable. If the two chambers cannot reach an agreement by the June 22 deadline, neither Borst nor Bauer is optimistic about faring better during a second special session. "I don't know if we can do it again," Bauer said (Lohrmann, Lafayette Journal & Courier). He was bothered by O'Bannon's comments last week that he would call another special session if lawmakers don't reach agreement. The governor said that only minutes after the House approved its version of the tax and budget bill to send it to the Senate for consideration.

"He shouldn't be calling for 40 more days when we did the impossible," Bauer said.

BLINZINGER NAMED CHIEF OF STAFF FOR HOUSE REPUBLICANS: Republican

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leader Brian C. Bosma announced that Donald L. Blinzinger will join the Indiana Republican Caucus as chief of staff, effective June 24. Blinzinger will help coordinate the efforts of House Republicans on legislative issues impacting the state and assist the Republican leadership on issues critical to the state and to the caucus. Blinzinger brings more than 30 years of state and federal government experience to his new position, including 20 years in the executive branch during the terms of Govs. Ed Whitcomb, Otis R. Brown and Robert D. Orr. He most recently served as vice president of Bose Treacy Associates LLC, an Indianapolis based public affairs and association management firm. "Don's experience and skills are exactly what we were looking for in our chief of staff," said Brian Bosma.

LUGAR, BAYH PART OF PROBE: Indiana's two senators, Republican Richard Lugar and Democrat Evan Bayh, are members of the Senate Select Committee on Intelligence, and will be deeply involved in the congressional investigation of the events leading up to the terrorist destruction of the World Trade Center last Sept. 11 (Craig Linder, States News Service). They acknowledge that the investigation will take months to

Indiana 2002, 2004 Racing Form

Governor 2004: Republican: David McIntosh, Sen. Murray Clark, Sen. Luke Kenley, Mitch Daniels, Eric Miller, Petersburg Mayor Randy Harris. **Democrat:** Lt. Gov. Joe Kernan. **1996 Results:** O'Bannon (D) 1,075,342, Goldsmith (R) 997,505, Dillon (L) 35,261. **2000 Results:** O'Bannon (D) 1,230,345, McIntosh (R) 906,492, Horning (L) 38,686. **2004 Forecast:** On the Democratic side, the key question is where is Joe? On the GOP side, OMB Director Mitch Daniels is not expected to appear at the state convention. McIntosh will attempt to fill the void by announcing his pushing of the "Taxpayer Protection Project." He's bringing in Grover Norquist of Americans for Tax Reform, former congressional colleagues, state legislators and secretary of state candidates for an 11 a.m. Thursday press conference. McIntosh is obviously trying to capitalize on his name ID and polling numbers. The danger is that McIntosh's credibility on tax issues was greatly damaged during the 2000 campaign, so this is precarious territory, particularly when even hard-line Indiana Senate conservatives have come to the realization that some tax increases are inevitable. Kenley is one. "I think we are going to put out a plan that Republicans will be proud of," said Kenley (*Louisville Courier-Journal*). "It will answer many of the sore spots we have been talking about for years," including eliminating the inventory tax. But he expects the committee's bill to look nothing like the proposal the House passed last week. "We are starting at ground zero. We're talking about pretty substantive stuff." Kenley expects the Senate version of the bill to include caps on state and local spending. Sen. Clark filed his candidacy and joined the tax restructuring debate. He called for three steps: First, force government to live within its means by passing a common-sense spending cap measure. Tie the growth of state government to the rate of inflation, by law, and stop a crisis like this from happening again. Then, to help government conform to the spending cap, form a budget SWAT team of private sector leaders to help identify government waste and ways to improve efficiency. Finally, the next budget is crucial – it will show whether we've learned from the current mess. As such, we should begin work on it immediately. **Status:** *Leans D.*

HORSE RACE

Indiana Congressional Races

Congressional District 2: Republican: Chris Chocola. **Democrat:** Jill Long Thompson. **Geography:** South Bend, Michigan City, Mishawaka, Elkhart, Kokomo, Plymouth, Logansport; LaPorte, St. Joseph, Starke, Marshall, Pulaski, Fulton, Cass, Carroll and parts of Howard, Porter, Elkhart and White counties. **Media Market:** South Bend-Elkhart, Indianapolis, Lafayette, Chicago. **Websites:** www.jilllongthompson.com; www.chocolaforcongress.com **2000 Result:** Roemer (D) 107,076, Chocola (R) 98,367. **2002 Forecast:** Democrats released a Greenberg Quinlan Rosner Research Poll (May 29-June 3, 400 likely, +/-4.9%) that shows Thompson leading 51-42, with 6 percent undecided. The poll shows that Thompson leads Chocola 56-33 among independents. Chocola has 71 percent name ID, compared to 50 percent for Thompson. A National Republican Congressional Committee poll (June 2-3, 400 likely, +/-4.9%), by Mahoney, Strimple, Goncharenko shows Chocola leading 38 to 32.5 percent, with 29.5 undecided. On the generic ballot, 44.8% would vote for the Republican candidate; 31.8% would vote for the Democratic candidate. Horse Race observation on dueling polls; the Greenberg poll looks like it has a real low undecided vote for a tight campaign at this early date. **Status:** *Tossup.*

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. **Websites:** www.foxforcongress.com; mikepence.house.gov/ **2000 results:** Pence (R) 106,023, Rock (D) 80,885, Frazier (I) 19,070. **2002 Forecast:** Pence charged in a letter to Atty. Gen. John Ashcroft on Tuesday that the anthrax attack on Congress could be or Al

Qaeda origins. Pence urged House leadership to protect Medicare beneficiaries needing 24-hour skilled nursing care. "If these cuts go forward, quality and availability of skilled nursing care will be threatened, and the nation will be forced to deal with the possible collapse of an entire essential sector of health care, a sector that cares for an annual two million elderly recipients," he said. **Status:** *Leans Pence.*

Indiana House Races

House District 8: Republican: Carl Baxmeyer. **Democrat:** Ryan Dvorak. **Geography:** St. Joseph County. **1998 Results:** M. Dvorak 11,613, Sulok (R) 6,715. **2000 Results:** M. Dvorak 15,660, Zirkle (R) 9,768. **2002 Forecast:** Independent observers believe this could be a highly competitive race **Status:** *LEANS D.*

House District 26: Republican: State Rep. Sue Scholer. **Democrat:** Joe Micon. **Geography:** Lafayette, West Lafayette, Tippecanoe County. **1998 results:** Scholer 5,750, Clapper 4,655. **2000 Results:** Scholer 9,086, Windler 5,186. **2002 Forecast:** Scholer became the first incumbent to take political heat back home. She voted against HB 1001ss, saying she hopes it includes a higher gas tax when it returns from the Senate. She doesn't think a 3-cent increase is sufficient. "But it's a better bill than when it left committee," she said. Hearing of her "no" vote, Micon said he couldn't understand why Scholer would oppose the measure, arguing it would help all residents in the 26th District. Micon specifically pointed out provisions that he said would help homeowners, businesses and education. "I don't understand why anyone would vote against it," Micon said at an impromptu press conference at the Purdue Memorial Union (*Lafayette Journal & Courier*). "I don't know who Sue Scholer is representing." **Status:** *LEANS R.*

House District 52: Republican: Marlon Stutzman. **Democrat:** Rep. Dale Sturtz. **Geography:** LaGrange, Noble, DeKalb counties. **1994 Results:** Sturtz (D) 6,837, LeCount (R) 5,789. **1996 Results:** Sturtz 10,049, Hanneman (R) 6,258. **1998 Results:** Sturtz 6,677, Wonderly 6,385. **2000 Results:** Sturtz 9,536, Wonderly 7,825. **2002 Forecast:** Sturtz became the "Conspicuous Man" when he disappeared during the dramatic and climactic HB 1001ss vote last Thursday. While House Republicans accused him of "skating," to save his political hide, Sturtz maintained he was sick and taking medication. "It couldn't have come at a worse time, but it wasn't any great cloak-and-dagger conspiracy," Sturtz told the *Fort Wayne Journal Gazette*. "I had every intention of voting 'no.' There were a lot of reasons not to vote for that bill." Specifically, he said he is concerned that the property tax cut for Hoosier homeowners is too small and that the gambling provisions are too big. He also told the *Journal Gazette* that he wants to protect the cigarette retail industry along the Michigan line. "We have a great advantage that makes the state of Indiana a lot of money from non-residents. We don't want to give that up." While Sturtz may have dodged the tax bullet last week, he'll be in the GOP's sights when and if it comes to a final tax restructuring vote on June 22. In a scintillating case of political brinkmanship, it may all come down to Dale Sturtz. **Status:** *LEANS D.*

House District 68: Republican: John Keeton. **Democrat:** Rep. Bob Bischoff. **Geography:** Lawrenceburg, Rising Sun, Dearborn, Switzerland counties. **1998 Results:** Bischoff 11,881, Kristoff (L) 1,742. **2000 Results:** Bischoff 11,746, Leising 11,544. **2002 Forecast:** Bischoff was one of four Democrats to vote against the tax restructuring bill. House leadership is trying to protect him and Sturtz. **Status:** *LEANS D.*

House District 86: Republican: State Rep. Jim Atterholt. **Democrat:** Dr. David Orentlicher. **Geography:** Indianapolis, Boone, Hamilton counties. **1998 Results:** Sturtz 6,677, Wonderly 6,385. **2000 Results:** Atterholt 17,320, Goodloe-Coe (D) 9,708, Perry (L) 1,178. **2002 Forecast:** Atterholt has voted against both tax restructuring plans that have hit the House floor. He may be counting on the anti-gambling and tax increase sentiments in his district, and has advocated an end to the horse track subsidy. But if there is a meltdown on tax restructuring, he will be extremely vulnerable in older Meridian-Kessler and Butler-Tarkington neighborhoods. **Status:** *TOSSUP.*

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complete, but say the issues warrant an in-depth and lengthy investigation. "This is big stuff," Bayh said. "It involves the lives of millions of Americans, so we have to take our time to get it right." Lugar has suggested that President Bush should ask for the resignations of FBI Director Robert S. Mueller and CIA Director George J. Tenet if they don't stop sniping at each other.

BENJAMIN INDICTMENT EXPECTED TODAY: The U.S. attorney's office is expected to announce the indictment of Lake County Auditor Peter Benjamin for public corruption during a news conference this morning (Rich James, Gary Post-Tribune). The prosecutor also is expected to announce that County Councilman Troy Montgomery, D-Gary, will resign from office as part of an agreement with federal officials. Although the federal prosecutor declined comment about the specifics, a Tuesday advisory said "the press conference will announce a public corruption indictment." Sources close to the investigation say both public officials' problems stem from the county's fight with the Hospital Care for the Indigent tax. Sources say the charges against Benjamin stem from inflated bills he submitted to the county for his legal work on the Hospital Care for the

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Indigent lawsuit the county filed in 1998 against the state.

LATINO ASSIMILATION CITED: When figures from the 2000 Census were released last year, some Americans were shocked to learn that the Latino population dramatically jumped from 22 million in 1990 to more than 35 million. The Latino population continues to grow at a rate of 3,000 persons per day, according to some experts, putting the population today at more than 40 million. Juan Andrade, a Griffith resident who is an influential Latino leader in the nation, says communities not accustomed to having Latinos around will have to learn what Latinos bring to the table to survive and thrive. "The nation was stunned when they saw these numbers. They said, 'How did (Latinos) get here? Why didn't I see this coming?'" Andrade said. "To a lot of people that is too much, too fast. If you're Latino, you think it's not enough" (Gary Post-Tribune). Andrade, founder and director of the U.S. Hispanic Leadership Institute in Chicago, made his comments as the keynote speaker at a Tuesday luncheon at the second annual statewide summit on Hispanic/Latino issues called "The Changing Face of Indiana." State Rep. John Aguilera, D-East Chicago, the only Latino lawmaker in the state, says the conference

COLUMNISTS ON INDIANA

Morton Marcus, *Syndicated* - Who says that Indiana's economic problems are a result of our tax structure? Who says that our economic performance can be improved by changing our tax structure? Those suggestions come from existing Indiana businesses. They assert that our problems are the result of our tax structure, because they will benefit from cuts and modifications of those taxes. Business interests and the public good may coincide on this issue, but Hoosier legislators are not focused on that argument. Instead lawmakers are determined to cut property taxes for homeowners who might have to pay their fair shares of those taxes as a result of court-ordered changes in property assessment practices. What is amazing is the sudden discovery of problems in Indiana's economy by so many folks. The latest data released by the U.S. Bureau of Economic Analysis continues a story often told. In 22 of the past 31 years (1969 to 2000), Indiana has not kept pace with growth in the U.S. What kind of growth? Not population or employment or any of those things that mean more schools, congestion, or sewers. No, the growth here is wages and salaries per job: what a person who works for someone else gets for his or her efforts. Our sluggishness is bipartisan, but it is getting worse with cumulative neglect. Exactly what was missing during Republican times is missing in more recent Democrat administrations. In Indiana, real wages and salaries per job (that is, after adjustment for inflation), declined in 1983 from the preceding year by 1.4%. That was at the bottom of "the great recession" twenty years ago. Yet in 1999, the decline was worse, 1.8%, and 1.5% in 2000. ❖

Lesley Stedman, *Louisville Courier-Journal* - Three Republicans had to vote yes to pass the bill, although most

believed the bill takes too much money from taxpayers to fund the state's budget. Rep. Mary Kay Budak, R-LaPorte, changed her vote from no to yes at the last minute to keep moving forward. Asked why she voted yes while the vast majority of her GOP colleagues voted no, Budak said simply: "Maturity." She knew that Gov. Frank O'Bannon is prepared to keep calling lawmakers back into special session to address the state's tax and budget problems. She also knew that the GOP-controlled Senate is prepared to make substantial changes in the legislation. Her vote, she said, was intended to keep the process moving. ❖

Jack Colwell, *South Bend Tribune* - They've been living in a fool's paradise. It's also called the Statehouse. Not all in the Statehouse are fools. By no means. And a majority of legislators may soon demonstrate the ability and the courage to face reality and abandon a fool's perception that state economic woes will just fade away. Indeed, governors and state legislators all around the nation, not just in Indiana, seemed to be in paradise during the economic boom of 1995-2000. A study released by the National Governors Association shows that revenue for the states grew by 6.7 percent a year during those good times, with growth in all three major sources of state revenue -- sales, personal income and corporate income tax collections. Not so long ago, Indiana legislators and legislators in most other states were debating how to use the surplus: Give a bunch of it back in tax cuts? Spend a lot of it for education, highways and other popular purposes? Keep a big chunk of it in rainy day funds? Indiana did some of all three. Maybe too much of the giving back in tax cuts and too much of the spending. But the public certainly wasn't objecting. ❖

PERHAPS... WE WANDER

By Brian Howey

A GOP floor fight

On Friday June 14, Hoosier political junkies will get to see something very, very rare: a convention floor fight.

It used to be that Indiana party conventions were rife with floor battles for critical nominations. The most fascinating one occurred in 1968 when House Speaker Dick Bodine of Mishawaka was battling Lt. Gov. Bob Rock for the Democratic gubernatorial nomination. Twenty-three of Bodine's Lake County delegates thought he had the nomination sewed up and decided to hang out at a hotel swimming pool. A frantic search for the swimmin' delegates proved futile and Bodine lost by two votes.

The last floor fights took place in 1996 when GOP gubernatorial nominee Stephen Goldsmith decided to throw his lieutenant governor nomination to the convention. What happened was a lesson in party discipline, kingmaking, geopolitics, a flexing of the pro-life muscle, and good old-fashioned floor work. The first ballot results reverberated on the floor like a thunderclap: Bluffton newspaper publisher George Witwer had 826, Secretary of State Sue Anne Gilroy with 524, and State Rep. Bill Friend with 448.

Gilroy was a late entry, just 100 hours before the convention began with a behind-the-scenes nod from Goldsmith. Gilroy's fate was placed in the hands of John Sweezy, the long-time Marion County Republican chairman. With a floor team of Kevin Kellems, Gordon Durnil, John Williams, Dan Evans, Bill Watt, Jewell DeBonis, and Lesa Dietrick pushing Gilroy, she won a "hard count" two hours prior to the first ballot, 750 to 650 for Witwer.

Witwer's floor team was a younger crew from the Mark Souder/David McIntosh wing of the party: Mark Wickersham and Mitch Harper (Souder) and Devin Anderson (McIntosh). His

troops at the convention were cool and calculating, armed with cell phones and prone to twisting elbows.

When the stunning first ballot totals cut against the hard count, pandemonium broke out on the floor as the remaining contenders sought out one man: Sweezy.

"We'd appreciate any movement," Rep. Friend said to Sweezy. "What were your totals?" Sweezy inquired, before almost inaudibly saying, "We'll stay with Sue Anne on the second ballot."

Next came Witwer. "We want to cooperate with you," he told Sweezy. "We'll talk to you later," came the brush-off reply. Minutes later, when Witwer wrapped up an improbable run for the Republican ticket with a 1,121 to 542 vote victory, Sweezy had essentially made himself irrelevant.

The new kingmaker turned out to be a man running for governor in 2004, Advance America's Eric Miller, who shrewdly played the geography card. Standing outside the 3rd and 4th CD caucuses the night before the convention, Miller observed, "I'm hearing a lot of anti-Indianapolis talk. Gilroy must win by the second ballot or it may not happen."

Some of the 1996 elements will be in play this week. It is the retiring Gilroy and power attorney Bob Grand (an ally of GOP Chairman Jim Kittle) pushing Rokita, who is positioning himself not from Indianapolis, but Munster. Mourdock has rallied a Southern Indiana coalition to try and gear up the out-state vote. McGoff and Mourdock are telling delegates they've raised decent sums of money, but unlike Rokita, they've both lent their campaigns between \$36,000 and \$42,000. Rokita has no debt.

All the candidates are pro-life, so that element appears not to be in play. What will be in play will be who has clout; who can deliver; who can pull off an integrated floor strategy. ❖

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is a recognition of the power of Latinos. "It's a recognition both from an economic standpoint and a voting standpoint," Aguilera said. "The more our community is assimilated and willing to participate, the better the state is going to be."

BUSH APPOINTS HAMILTON, TAUREL: Former Congressman Lee Hamilton and Lilly CEO Sidney Taurel have been appointed to President Bush's homeland security advisory council (Associated Press). The council is expected to help develop a national strategy to protect the United States from terrorist threats or attacks; recommend ways to improve coordination, cooperation and communication among federal, state and local officials and businesses; and offer advise on various homeland security tactics. He has been a strong advocate of U.S. foreign policy that has a strong base in working with other countries. "If we attempt to bully the rest of the world into accepting our domination, we will encourage a potentially dangerous backlash against us," Hamilton wrote last month.

BUSH APPROVAL AT 74 PERCENT: A USA Today/CNN/ Gallup poll of 800 adults, conducted over June 7-8 (+/- 4%), shows President George W. Bush's approval is at 74 percent, while 18 percent disapprove.

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