HOWEY
Political Report
V 11, No 23
Weekly Briefing on Indiana Politics
Thursday, Feb. 10, 2005

$98 million lobbyist throws a spiral, makes a point in the taxed House

Bosma opens own negotiations with Colts after Peterson rebuke

By BRIAN A. HOWEY in Indianapolis

When Indianapolis Colts quarterback Peyton Manning strode into the Indiana House chambers last Friday, he had assumed a barely stated station in the Hoosier pantheon of sports herodom. He has joined the ranks of John Wooden, Bobby Knight, A.J. Foyt, Bobby Plump, Reggie Miller, Larry Bird, George Gipp, Bob Griese, Paul Hornung, Oscar Robertson, Joe Montana ... even Harry Gonso ... as a figure folks will be talking about in the dens, around the stoves, water coolers and church potluck dinners for decades, perhaps even centuries to come.

We put Manning on HPR's *2005 Top 50 Honorable Mention* list, partly as a joke, partly as solace to the Rokitas, Frys and Clarks that didn't make the main list ("Hey, you're there with Peyton Manning"), but mostly for his utterly unique status as the "$98 million lobbyist."

So there he was, in the Indiana House chambers, graciously accepting a resolution naming him Most Hoosier of All Hoosiers, a great equal of all the equals. And then he produced a football, and like no other lobbyist limited to the hallway, lobbed a tight spiral to House Speaker Brian Bosma up on the rostrum.

The Speaker is a speaker, not a receiver, and he looked surprised and somewhat defensive, before a broad smile broke across his face after he successfully reined in the pass. It was a scenario most of us only dream about at night or in the shower ... *catching a pass from Peyton Manning*. Over in the Senate, Manning did the same thing to President Pro Tempore Bob Garton, who fumbled the ball momentarily before clutching it to his chest. And without even mentioning the word "stadium," the point was made to legislators and the general public: Don't be the politician who lost the Colts to Los Angeles.

"It's been a great year for the Indianapolis Colts and number 18 is a big rea-

Colts quarterback hits Speaker Bosma with a pass ... and a message. (House Republican Photos)

QUOTE of the Week

"Tying the Colts to gaming is not going to work. I consider that a Hail Mary toss."

— Ways and Means Chairman Jeff Espich, as he proposed 11 tax hikes aimed mostly at Marion County residents

The Howey Political Report is published by NewsLink Inc. Founded in 1994, The Howey Political Report is an independent, non-partisan newsletter analyzing the political process in Indiana.
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Subscriptions:
$350 annually HPR via e-mail;
$550 annually HPR & HPR Daily Wire.
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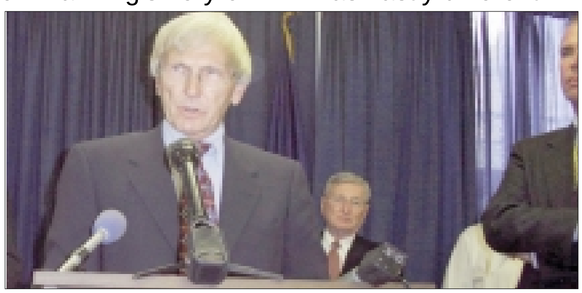
Covering a Decade of Indiana Politics

son this team and this city has thrived," said Bosma. "We recognize Peyton's commitment to this city and we want to say thanks to Peyton and thanks to the Indianapolis Colts. We are also committed to keeping Peyton and the Colts in Indianapolis and to seeing the Colts become Super Bowl champions."

But the very next day ...

The next day, there was House Ways & Means Chairman Jeff Espich, who insisted he was operating independent of Bosma, doing something very un-Republican. He was offering up a cornucopia of tax hikes -- from income, to restaurant, food and beverage, to Peyton Manning's very own $14 million salary -- to pay for a new Colts stadium and convention center. But these taxes would be placed only on the backs of mostly Marion County residents. "Tying the Colts to gaming is not going to work," Espich insisted. "I consider that a Hail Mary toss." A week later, State Rep. Bob Alderman stripped out the Colts funding mechanism from State Rep. Luke Messer's slots bill. Then this morning, Bosma told the press that he had commenced his own negotiations with the Colts, claiming the "bunker mentality" Peterson administration had its eyes on $2 billion of "state money."



Ways and Means Chairman Jeff Espich announces 11 tax increase proposals, most that would be been aimed at Marion County residents. (HPR Photo)

These events brought an angry response from Indianapolis Mayor Bart Peterson, who cut to the chase and directly addressed the receiver. "Speaker Bosma's proposal today, if it is the final word, means the Colts are leaving Indianapolis," Peterson said last Friday. "The speaker wants to raise income and sales taxes only in Marion County to pay for the stadium. Why increase taxes when you don't have to?"

House Minority Leader Pat Bauer produced an almost giddy response. "I think this might be the most taxes in one proposal that I've ever heard of," Bauer said. "There is no need to ask the people of Indianapolis to pay large tax increases when House Democrats have offered an alternative funding proposal that would pay for construction of a new stadium, expand the convention center, provide added support for public education and Medicaid and help support our state's horse tracks, all without raising any local taxes."

Bauer continued, "If this proposal becomes law, it would give Indianapolis the highest hotel taxes in the nation. How would such a move help the city attract more conventions to Indiana?"

Gov. Mitch Daniels, already cast in the role as a tax-raiser, called the Espich proposal a "constructive contribution," then hinted that he might have one of his own.

But Capital Improvement Board President Fred Glass had the best quote, telling the *Indianapolis Star* in a not-so-subtle jab at Speaker Bosma, "Yesterday, he was catching a pass from Peyton Manning. Today, he wants to trade him to L.A."

Mayor versus speaker

The intriguing dynamic here is the very public tug-o-war between the mayor of Indianapolis and the speaker from Indianapolis. They are sparring in the press, creating a scenario of one-upmanship from which it will be hard to recoil. It was vastly different in 1997 when then-Indianapolis Mayor Stephen Goldsmith gave his legislative point man - Joe Loftus - the imprimatur to make decisions as they came up. Hard as it was, it wasn't a daily soap opera in the press. There was also a third party - the Indiana Building Trades Council - in play. The ultimate solution came in a stadium-for-workers comp reform deal in a second special session, with both Goldsmith and Gov. Frank O'Bannon working the hallways to get it done.

With the Colts deal, there is a perception among House Republicans that Mayor Peterson "doesn't have any skin in the game," said one insider. Deputy Mayor Steve Campbell said he was "encouraged" that Bosma was talking with the Colts. "We've been working on this for more than two years."

Not the final word

What everyone understands is that the Espich/Bosma proposal isn't the final word and gaming isn't necessarily the hail Mary pass. It was a volley aimed at key Republican constituencies: the anti-Indianapolis Jealous Caucus of House Republicans (whine: *"Indianapolis gets everything*"), and the United Methodists and other Christians who equated gambling to a paramount social sin. They, along with former Govs. Frank O'Bannon and Joe Kernan, and former House Speaker John Gregg, have long railed at the "expansion of gambling," even when they all knew that gambling has been expanding faster than the universe in Indiana.

What was once the domain of bookies, downtown cigar stores and Legion hall video poker machines in most Hoosier cities and burgs, has morphed into the lottery (complete with its own "pull tab" vending machines in supermarkets and convenience stores), riverboat casinos, horse tracks, dockside, French Lick, bingo halls, Knights of Columbus casino nights, and the big one ... the Internet. The expansion was documented recently by the *Muncie Star Press*, which reported former Teamster boss John Neal is operating a mini-casino called Pizza Ante.

Hoosiers have a voracious appetite for gambling.

To tax or gamble?

This is a dilemma for Indiana Republicans.

Do they raise taxes in lieu of a myopic further "expansion of gambling" in order to keep the Colts? Or do they use gaming; little gamers paying for the big-time gamers? And why are they so transfixed by Peterson's broad political persona? Perhaps it's because he's the biggest Democrat standing after the GOP's Statehouse takeover.

Lt. Gov. John Mutz

Gaming opponents are quick to point out Indiana's record-setting bankruptcy rates over the past several years, though there is far more evidence to suggest that those numbers are due more to predatory lending practices and a health care/health insurance system run amok. A Harvard University study released Feb. 5 revealed that close to 50 percent of bankruptcies were due to family medical crises (*See page 5*).

It was1988 when President George H.W. Bush vowed, "Read my lips; no new taxes," a move that was quickly emulated by Govs. Evan Bayh, Frank O'Bannon and Joe Kernan. But because of social neglect -- sewers, high child protective service caseloads, 19th Century IPS schools, a decade of unbalanced budgets -- the no new tax phobia is in decline. In the past month, Gov. Mitch Daniels proposed a 1 percent, one-year surtax on the wealthy, Chairman Espich proposed 11 tax hikes for Indianapolis residents; and Indianapolis Mayor Bart Peterson and Council President Steve Talley are prepared to pass into law a .3-percent income tax hike to keep murderers off the streets, not build a stadium. "We've got these problems, and we've got to hit them head on," said Talley (*Indianapolis Star*). "You've got to be open, you've got be honest and you've got to be direct."

Sen. Garton said at a Third House meeting in Columbus about a tax hike, "I just don't want people to be surprised if it does" (*Columbus Republic*). He predicted there might be a cigarette tax increase.

And then there isState Rep. Dave Wolkins' public feud to get off the Americans for Tax Reform no new tax pledge list (*See page 6*).

Expect a retreat

Our best guess is that in the final days and hours in either April or May, the slots will look a lot more attractive than tax increases. Name a governor or legislator whose loss can be pinned on voting for gaming. We can't think of one. But former House Speaker J. Roberts Dailey acknowledged, "My strong opposition to legalized gambling in Indiana probably had a lot ot do with my defeat for re-election in 1986."

Having said that we can think of only two Statehouse tax increase casualties. The last major tax increase occurred in 1987 with Gov. Robert Orr's A-Plus program. Evan Bayh won the 1988 governor's race, in part, because was able to portray Mutz as a big taxer.

Last November, Democratic Rep. Markt Lytle was upset by Republican Billy Bright, in part, because Lytle had sponsored legislation to replace property taxes with others.

But others have survived tax controversies. In the May 2004 Democratic primary in Lake County, State Reps. Chet Dobis, John Aguilera and Linda Lawson faced furious challenges in the wake of the property tax restructuring that left some homeowners with triple-digit increases. Lawson eaked out a 279-vote victory. Aguilera won by 136 votes. Dobis easily won re-election.

Eating his notions

Not only had Chairman Espich been proposing his cornucopia of tax hikes for Marion County residents, but he was also suggesting a general restaurant tax increase.

After a weekend of heat following his Colts proposals, Espich pulled the plug on that notion. Espich told the *Indianapolis Star*, "I don't want the public to believe there's this whole litany of tax issues being discussed. I'm trying to turn down the heat a little bit on the whole issue of taxes."

Mayor Peterson clearly won that little tug-o-war, though legislative Republicans seem transfixed at the prospect of bloodying the mayor, thus Speaker Bosma's entry into the negotiations with the Colts. "I don't see why he's getting so worked up," Espich said Wednesday of Mayor Peterson (*Indianapolis Star*). "We still have three months to go."

Said Sen. Garton, "That is not the climate you want to set. It must have been a bad week for him."

Who had the bad week?

It wasn't Peterson. If anyone was bloodied, it was the fumbling House Republicans who haven't reconciled taxes and slots, or pondered the death knell notion of "who lost the Colts" if Peyton Manning is lobbing spirals at Gov. Swartzenegger in Los Angeles next winter. ❖

Espich's tragic comedy

INDIANAPOLIS - In August 2003, HPR's analysis was that it didn't seem possible to solve the Colts stadium dilemma without slots. Without an alternative funding source other than taxes, slots appeared to be the only source that would generate the kind of revenue needed to keep the Colts happy in a new stadium.

On Friday, House Repubicans led by Ways and Means Chairman Jeff Espich, attempted to put other sources on the table: raising income, restaurant, hotel, car rental, and ticket taxes, as well as hitting up the salaries of professional athletes. Our analysis is we'll be surprised if any of this is palatable to Marion County taxpayers.

Why? For one, when you attend Colt and Pacer games, the lots are heavily parked with cars bearing suburban license plate prefixes. Nobody is predicting that any type of regional tax has a political chance in hell, so the House Republicans are now suggesting that almost the entire burden be picked up by Indianapolis taxpayers and out of town convetioneers. The same taxpayers who are already picking up the burden for a significant amount of state and federal govenment property on prime real estate that cannot be taxed. The same conventioneers who could easily go elsewhere if doing business here becomes too expensive.

If Espich's proposal were actually to be passed, it would likely have two profound impacts:

1. It would further accelerate Republican migration to the suburbs, further hollowing out the city.

2. In a county that should be politically competitive for the next generation despite its trending Democratic (and the 2003 Greg Jordan faux campaign for mayor), successful Republican attempts to stick income tax hikes for a stadium would doom their party, perhaps as early as 2006 when Prosecutor Carl Brizzi seeks re-election.

The most amusing part of the Espich proposal concerns restaurant taxes. Many of us here have just tallied (or will by April 15) our restaurant tabs for the past year. For those of us who do a great deal of business while breaking bread and raising ale, that tab is significant. Raising those taxes would be odious. But that concept is largely foreign to Indiana legislators, who are used to getting the "free lunch." They hardly ever pick up restaurant tabs. We know of one ex-legislator who refused to eat lunch recently because he didn't have his new company's credit card.

It is significant that Mayor Bart Peterson did acknowledge the potential for income tax hikes ... but to pay for a criminal justice system that is allowing jail inmates to be released to meet federal court mandates, facilitating at least five subsequent homicides over the past year. There is no way that Peterson or the City-County Council will pass income tax hikes to pay for a stadium and Indiana Convention Center.

The concept of being against the "expansion of gambling" is laughable. It is expanding faster than the universe. Those lawmakers from legislators to the governor who refuse to acknowledge this are risking their own credibility.

Then there is the anti-Indianapolis sentiments that Bosma finds in his caucus. Members routinely have gone home to tell their constituents why this program or that wasn't passed and will often say, "Indianapolis gets everything." Bosma is particularly sensitive to this because he is from Indianapolis and must, at least early on, placate the Jealous Caucus in the Animal House GOP, a place where canned deer hunting makes perfect sense. Perhaps Espich and Bosma have been eating too much of Rep. Bill Friend's tranquilized venison chili from Peru.

Gov. Mitch Daniels appeared to be playing along with the Espich/Bosma proposals last Friday, if for nothing else than to give them some cover as they inched out on an increasingly thin limb. The governor's reality is that without the Colts, he is going to have a hard time attracting the handful of Democratic votes he will almost certainly need to pass his own budget.

And this is where this all gets extremely amusing. Bosma and House Republicans were quick to skewer Gov. Daniels' call for a one-year, 1 percent tax on the wealthy to balance the budget (one of those debatable conservative principles?) and build up reserves. But then they come up with a cornucopia of tax increases aimed at Indianapolis taxpayers, the state's most prolific and dynamic economic engine. Espich and Bosma are over-estimating their tolerance and the potential for political retribution at the ballot box (isn't Lawrence becoming more Democratic?).

The biggest reality is that this is all posturing; necessary posturing. The real deal will take place in the final hours of April. Hopefully, we'll see Mayor Peterson and Gov. Daniels working the halls like Mayor Goldsmith and Gov. O'Bannon did in 1997 when Conseco Fieldhouse was built and workers compensation was successfully and humanely reformed. It is in both their interests to work together.

The governor is suggesting he may come up with his own plan. Perhaps it will be sans the tragic comedy we saw performed at the Statehouse last Friday. ❖

Half bankruptcies tied to family medical emergencies

By BRIAN A. HOWEY

INDIANAPOLIS -- Within weeks of my montly COBRA payment ballooning from $940 to $1,160, Harvard University released a study that is appearing for a second time in this edition: That close to half of all bankruptcies in the U.S. are due to a family medical crisis.

Released on Feb. 5, the Harvard study noted that in 2001, there were 1.45 million American families who filed for bankruptcy. In a study of 1,771 personal bankruptcy filers in five federal courts, 931 were interviewed in depth and "half cited medical causes, which indicates that 1.9–2.2 million Americans (filers plus dependents) experienced medical bankruptcy. Even middle-class insured families often fall prey to financial catastrophe when sick."

That study has relevance here in Indiana, where its Northern and Southern District Federal Courts have been leading the nation in bankruptcy in recent years. There has been little analysis available on the cause, though anecdotally they have been tied to compulsive gambling and predatory housing lending practices.

It's not much of a stretch to conclude that the national trend is applicable to Indiana. The health insurance crisis is playing a role in crippling the Hoosier economy.

The same week the Harvard study was released, President Bush said in his State of the Union address, "To make our economy stronger and more competitive, America must reward, not punish, the efforts and dreams of entrepreneurs. Small business is the path of advancement, especially for women and minorities, so we must free small businesses from needless regulation and protect honest job-creators from junk lawsuits."

I'm all for protection from needless regulation and junk lawsuits, and I recognize the need to, at some point, reposition the Social Security apparatus, which President Bush described as a crisis. But the real crisis facing Hoosiers - TODAY - is with health care.

President Bush went on to say, "To make our economy stronger and more productive, we must make health care more affordable, and give families greater access to good coverage -- (applause) -- and more control over their health decisions. (applause.) I ask Congress to move forward on a comprehensive health care agenda with tax credits to help low-income workers buy insurance, a community health center in every poor county, improved information technology to prevent medical error and needless costs, association health plans for small businesses and their employees -- (applause) -- expanded health savings accounts -- (applause) -- and medical liability reform that will reduce health care costs and make sure patients have the doctors and care they need." (Applause.)

On the Indiana General Assembly front in a state where 561,000 Hoosiers are without health insurance (9.2 percent of the population), there are two bills that would also reform the system.

SB 269, which remains in the Health and Provider Services committee, which authoring Sen. Pat Miller chairs, would allow small employers to work out plans that might not cover autism or other conditions (*Indianapolis Star*). SB 222 would allow insurance companies to waive coverage of those conditions for five years, after which they are likely to have run their course, she said. Rep. Gerald Torr, R-Carmel, has a similar bill (HB 1075) but without the five-year limit.

It's an improvement over what's currently available. But as State Rep. Craig Fry, the insurance industry's bogeyman who has blocked pre-existing condition waivers in past sessions, told the *Star*, "I don't think consumers want it. I don't think consumers need it. Why buy a policy if it doesn't cover what you know is wrong with you?"

Good question.

My own dilemma is that a cured bout with skin cancer three years ago has essentially made it impossible for someone like myself to get health insurance as a sole proprietor. The only option, had I not been in a situation where I am in the process of creating a new company (stay tuned) would have been the expensive state comprehensive plan. Or just ditching the business I've spend a decade building and getting a job with someone else.

If I weren't in a position of creating a new company, the notion of getting on a health plan that wouldn't cover any subsequent experiences with cancer is hardly reassuring. Or if you've had a heart attack, but will not be covered for any subsequent heart problems, means that thousands of families and sole proprietor businesses will still be faced with future bankruptcy.

Some solution.

The real problem is that after First Lady Hillary Clinton's 1993 "health care reform" fiasco, the poitical will to effectively deal with the roots of the problem has essentially vanished.

President Bush and legislators suchas Miller, Fry and Torr are nibbling around the margins. And when they get done with their work sometime later this year, there are still going to be thousands of vulnerable families and businesses.

The politicians all like to tell you how they've staved off tax hikes, but essentially the health insurance scourge is the great ongoing tax hike on the American middle class. And when the politicians do speak, much of the rhetoric is centered on the "working poor."

I don't consider myself working poor. In the decade I've been publishing The Howey Political Report, I'm proud that I've created a six-figure company out of nothing. But it could all be destroyed with one serious illness. And, of course, the uninsured simply passes the costs on to the system and other insured people.

MInd you, these are the same "entreprenuers" that Gov. Mitch Daniels and other political figures keep telling us will fuel the 21st Century economy.

I had lunch the other day with a Democratic friend of mine who was lamenting the decline of labor in the emerging "service economy."

I asked him, "How many people do you personally know who actually make anything?" He drew a blank. In our crowd, there are writers, graphic designers, advertisers, researchers, photographers, fundraisers, historians, sign makers, massage therapists, film makers. I know dozens upon dozens of Hoosiers who work on their own, but don't make anything.

We are all vulnerable.

It's good that we are recognizing the vulnerability of Social Security, coming as early as 2018. But Hillary Clinton and others knew more than a decade ago that there was a health care crisis in the making. It wasn't dealt with and for a decade the politicians have taken a bye. Now it's truly a crisis. My monthly health insurance bill is almost more than my house and car payment combined.

I'll ask the same question I did a year ago? Since when was that OK?

It's good the Congress and the legislature are working on the problem. They've got a lot of work to do. ❖

Wolkins calls Norquist, ATR 'out of control' organization

By BRIAN A. HOWEY

INDIANAPOLIS - State Rep. David Wolkins has begged, pleaded, filled out forms, called press conferences and tried to get the Americans for Tax Reform to take him off its no new tax pledge list.

The Winona Lake Republican was joined today by Fort Wayne Democrat State Rep. Winfield Moses Jr., in making public their complaints that the times have changed, but the ATR is clinging to an old promise.

"I'm going to be held accountable by people in my district," Wolkins said at a Statehouse press conference this afternoon. "I hope I'm not commiting political suicide."

State Reps. David Wolkins (left) and Win Moses expressed their frustrations of trying to get off the Americans for Tax Reform list today. (HPR Photo)

Wolkins said he signed the no new tax pledge in the late 1990s, in the days of billion dollar surpluses. He and Moses believed that when they signed the pledge, it was for that specific two year term in office. In 2002, as Indiana's financial picture grew stormy, Wolkins asked to be taken off the organization's list.

He added that while he hasn't decided on whether he will support Gov. Mitch Daniels request for a one year, 1 percent income tax hike on the wealthy, he wants to maintain that option.

"They just won't let go of me," Wolkins said, recounting the various ways he has tried to get his name off the list. That included filling out forms, holding press conferences, and campaigning in the last cycle where he publicly refuted his position on the list. One requirement by ATR was to call a press conference that would include an official of the organization. "I have left numerous messages," he said of ATR's Grover Norquist. "I'm extending an invitation. Mr. Norquist, I'll send you a ticket to come. This is an organization out of control."

Moses said he's been trying to get off the list for several election cycles. "Each two-year term has a different set of circumstances," the former Fort Wayne mayor said. He said he threw away a 1998 request for the list. "I wrote them a letter and didn't sign," Moses said. "I knew at some juncture we would need flexibility." ❖

Gary Gerard, *Warsaw Times-Union* - Is It Broken, Or Isn’t It? It’s really quite bizarre, the Social Security debate. I must say, I don’t know what to believe. On the one hand, you have the people – and W is one of those – who say the system is in crisis and we need to do something right away. Yet others say, nah, it’s fine. Sure, it has some problems, but nothing to worry about right now. I checked out what The 2004 Social Security Trustees Report says. (I think this is where W got a lot of his info for the State of the Union speech.) The Social Security Board of Trustees states that, unless something changes, Social Security’s currently scheduled benefits can’t be sustained for the long term. So, on the face of it, it would seem that something needs to be done. Here’s what David C. John, a research guy at the decidedly conservative Heritage Foundation says. “The Social Security trust fund is really only an accounting mechanism. The trust fund shows how much the government has borrowed from Social Security, but it does not provide any way to finance future benefits. The money to repay the IOUs will have to come from taxes that are being used today to pay for other government programs. For that reason, the most important date for Social Security is 2018, when taxpayers must begin to repay the IOUs, not 2042, when the trust fund is exhausted. And then there’s Michael Tanner, director of health and welfare studies at the Cato Institute. The Cato Institute labels itself as “Libertarian” or “Market Liberal.” Tanner says this: “Social Security's failing finances are one reason why we need to update this outmoded New Deal legacy. But there is another, equally important, problem with Social Security. “Quite simply, Social Security is a bad deal for most Americans, a situation that is growing steadily worse for today's young workers. Payroll taxes are already so high that even if today's young workers receive the promised benefits, such benefits will amount to a low, below-market return on those taxes. Indeed, ... most Americans working today will actually receive a negative return – less than they paid in. “If keeping Social Security solvent were the only concern, that could be done by raising taxes or cutting benefits. ... But raising taxes or cutting benefits would only make the return on Social Security even worse.... The only way to simultaneously solve Social Security's financing problems and provide higher benefits is to privatize the system, allowing young workers to redirect their payroll taxes to individually owned, privately invested accounts, similar to 401(k) plans or Individual Retirement Accounts.”

Ruth Holladay, *Indianapolis Star* - The state is not exactly teetering on the brink of constitutional crisis, but still it's a fact. The Indiana Constitution, Article 6, Section 5 (b), requires the governor to reside in the seat of government. That bit of political trivia morphed into a hot topic this week, following Tuesday's news that Republican Gov. Mitch Daniels and his wife, Cheri, plan to build a home in Hamilton County within the next couple of years. Fair enough. Recent governors have owned private residences -- Gov. Frank O'Bannon and first lady Judy in Corydon, Gov. Joe Kernan and Maggie in South Bend, and others before them. So what if the 50-something first couple sell their Marion County home and construct an empty-nester with their own money, repeat, with their own money? They'll live in the governor's residence, right? If only life were so simple. ❖

Michael Tackett, *Chicago Tribune* - The photo stripped across the front page of the Washington Times looked like a wanted poster. The predicatble suspects were all there, the diminishing brand of liberal Democrats in the U.S. Senate who dared vote againt Condoleezza Rice fto be secretary of state. One of the 13 was anything but usual: Sen. Evan Bayh, (D-Cautious). He has succeeded because of a famous name, an impressive record as governor, a telegenic, going-down-easy style, an attractive family and political instincts that belie his image as almost painfully, blandly gosh-darned earnest. So it was most unusual to see him stepping up to vote down Rice. Unless, perhaps, he was trying to make another statement, the kind that people make when they want to run for president.
❖

Pence lining up against NCLB expansion

WASHINGTON — President Bush's proposal to expand his signature education reform to high schools will likely face stiff opposition, even in a GOP-dominated Congress, lawmakers and observers said Wednesday (*USA Today*). "I have yet to have the public school teacher or parent criticize me for voting against" NCLB, said Rep. Mike Pence, R-Ind., one of 25 House members to vote against NCLB in 2001. He says conservatives have "widespread skepticism and outright opposition" to expanding high school testing. At a GOP retreat last week, he adds, opposition to the idea was "deafening."

Lugar introduces media shield bill

WASHINGTON - U.S. Sen. Dick Lugar today introduced the Free Flow of Information Act to protect reporters against revealing confidential sources. This bill would set national standards for subpoenas issued to reporters by an entity or employee of the Federal Government. U.S. Rep. Mike Pence (R-IN) introduced companion legislation in the House of Representatives last week. "It is important that we ensure reporters certain rights and abilities to seek sources and report appropriate information without fear of intimidation or imprisonment," Lugar said. "Without such protection, many whistleblowers will refuse to step forward and reporters will be disinclined to provide our constituents with the information that they have a right to know. Promises of confidentiality are essential to the flow of information the public needs about its government."

Daniels cancels GOP fundraiser

INDIANAPOLIS - Gov. Mitch Daniels said he was not consulted about GOP plans for a political fund-raiser at the governor's residence, and he has vetoed the event (*Indianapolis Star*). "Nobody had asked me, and we won't be doing it," Daniels said Wednesday. The state Republican Party invited potential donors to the residence for a $5,000 contribution and offered $10,000 donors a seat at a "Governor's Roundtable."

Manous seeks prison furlough

MERRILLVILLE - A former Indiana Democratic Party chairman is planning a break from the drudgery of prison life only five weeks into his public corruption sentence (*Times of Northwest Indiana*). A lawyer for Peter Manous is asking a federal judge to arrange a six-day furlough so Manous can return home to Northwest Indiana and testify next month on behalf of two convicted business partners. Childhood friends Manous and Kevin Pastrick pleaded guilty last year to bribing Gerry Nannenga, a former official for the Northwest Indiana District Council of Carpenters, five years ago.

Saunders' sons at center of fatal hit and run probe

NEW CASTLE - Investigators have turned their attention to one of State Rep. Tom Saunders's sons, the Henry County sheriff said, in their probe of a fatal hit-and-run accident that killed a 56-year-old man who was walking along the street near a grocery store last weekend. Sheriff Kim Cronk said authorities hoped to talk to the entire Saunders family Wednesday, including Tom, his wife Sue, and their two sons, Patrick and Andy - though they said they had "no reason to believe" Saunders or his wife were at fault (*Muncie Star Press*). As of Wednesday evening, the family's attorney hadn't coordinated those conversations with investigators. A 1989 Buick owned by Saunders, a member of the Indiana House of Representatives since 1996, is at the center of the investigation.

Daniels signs economic development bill

INDIANAPOLIS - Gov. Mitch Daniels yesterday signed into law a bill that will turn the state's economic development efforts over to a public-private corporation that will be free of red tape, which he said made the previous agency too slow to act (*Louisville Courier-Journal*). The new law transfers most of the duties of the commerce department -- which had been directed by the lieutenant governor -- to the Indiana Economic Development Corp. and its 12-member board of directors. "More jobs and more income in Indiana are the first objectives of our administration," Daniels said. He added that the new corporation "will be able to move more quickly. It will be more flexible."

Hupfer to head DNR

INDIANAPOLIS - Gov. Mitch Daniels today announced Kyle Hupfer, a Pendleton native, as the next director of the Indiana Department of Natural Resources. "Kyle is a kid of the Indiana soil. He's an avid hunter, has a great love for the outdoors and has a keen business sense. Kyle is a rising star in his field, and like so many of our new crew, he is making a great sacrifice by interrupting his career in the early stages to join our team," said Daniels. Hupfer has been a partner at the law firm of Ice Miller in Indianapolis. ❖