



Too early to gauge FSSA fallout

IBM contract termination will likely make way into House races, but as with BMV, story could evolve
By **BRIAN A. HOWEY**

INDIANAPOLIS - This being a "political report" we naturally think about the political implications of last week's bombshell that Gov. Mitch Daniels was terminating the IBM welfare contract in what he called a "major mid-course correction."

Internally with the administration, politics as related to the 2010 battle for the Indiana House and this issue are probably the least of their concerns at this point. A gargantuan amount of work awaits to develop the "hybrid" system that restores the "face to face" contact and keeps the problems with fraud in check.

As one administration source told HPI, "The public appreciates the governor trying to reform and deliver a better and more modernized service. When the company the state contracted with failed to make the agreed upon changes, they were relieved of their duty."



Democrats were jubilant, with House Speaker B. Patrick Bauer reacting, "'Hallelujah! Today's announcement is huge for any number of reasons. It

That was leadership, not failure on the Governor's part."

Asked if the IBM contract was his worst problem in five years of office, Daniels responded during his presser last Thursday, "No. I've got a long list. I haven't tried to rate them. The easiest thing to do in a situation like this is throw your hands up and say, 'Well, that's as good as it can be.' This has been a daunting thing all along, and it still is, of course. Our first attempt didn't get us there, but we did get some positives out of it. We'll just have to take them and reverse some of the mistakes and move forward. I've told you for five years that's how we're going to operate, and this is a classic case."

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Blogs & phone calls

By **BRIAN A. HOWEY**

INDIANAPOLIS - The Advance Indiana blog headline Oct. 14 was sensational: "Anonymous Mailing Hits Luke Messer OWI Guilty Plea."

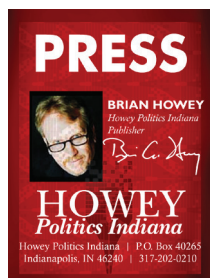
The first paragraph read: "An anonymous letter arrived in the mailboxes of several area news sources today, including this blog."

And then the entire content of the mailing was posted. What makes this newsworthy is that Advance Indiana's Gary Welsh didn't bother to call the Messer campaign to confirm whether the information was true. Or whether it was the same "Allen Luke Messer" that is now running for the 5th CD seat.



"He is nicer to Chavez, nicer to Castro, nicer to the president of Iran, nicer to all these thugs than he is to Israel, to Netanyahu."

- **U.S. REP. MARK SOUDER**, on *President Obama, to the Fort Wayne Journal Gazette*)





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Howey Politics Indiana, which also received the packet, appears to have been the only news source which sought a confirmation and comment. Advance Indiana would later add the HPI quote from Jennifer Hallowell of the Messer campaign to its website.

With the Post-Tribune teetering on the brink and the New York Times preparing to cleave away 8 percent of its news staff, this is a disturbing glimpse into the future of American journalism.

Many of the blogs will pump out rumors. Some never follow up. Others will, but only later. The notion of picking up the phone for confirmation is quaint or burdensome. The danger for society is that unless a new economic model can be found, it will be the blogs and "journalists" without degrees - and in many cases, without ethics - who will fill the void.

This week, former Washington Post Executive Editor Len Downie wrote in a paper commissioned by the Columbia University Journalism School that "Journalism is at risk and American society must act to preserve it."

Downie and Columbia professor Michael Schudson argue the government, universities and nonprofit foundations should step in as newspapers suffer financially. Among other steps, the authors recommend that the government ensure the tax code allows local news outlets to operate as non-profits. They urge philanthropic organizations to support local reporting. And they suggest a fund be established using fees from telecom or Internet providers for grants to innovative local news groups.

Howey Politics Indiana has been participating in a working group exploring the "news foundation" option. In my view, the foundation could be a 10-year measure to ensure the fourth estate watchdog continues in some form until a viable economic model can be established to sustain a probing press.

Without such, it will only be a matter of time before we return to the days of the 1980s, when FBI agents

were hauling filing cabinets out of the Indiana Statehouse and other government centers. When the probing press disappears, corruption tends to follow. Virtually gone over the past year or so is investigative reporting. News staffs, which have either endured layoffs and seen numbers dwindle due to attrition, simply no longer have the manpower to conduct expansive, time-consuming investigative enterprise.

The FSSA/IBM story that broke last week was more the result of safety net providers who complained to local legislators, with the press picking up the story during coverage of the Indiana General Assembly. In times gone by, there would have been reporters probing the system well in advance of legislative committee hearings and bill filing deadlines. That didn't happen, for the most part, until this year.

Society will pay a steep price if that continues.

The news this year from the newsrooms has been horrific. The New York Times has seen its newsroom go from 1,330 employees to 1,250. The Los Angeles Times has gone from 1,200 to 600; the Washington Post from 900 to 700; the Boston Globe from 500 to 300. There have been more than 100 layoffs at the Indianapolis Star along with staff pay cuts and at least two weeklong furloughs. The Star's Statehouse coverage is only a shell of what it once was. With newspaper and TV station's in budget sessions now for 2010, it is unclear how many news organizations will be providing daily Statehouse coverage next year.

Ad revenue that has been steadily decreasing the past few years, fell 28.6 percent in the first half of the year, according to the New York Times. The newspaper reported that Gannett - owner of the Indianapolis Star - saw its revenue fall 28.4 percent last quarter, an improvement over the 33 percent decline during the first half of the year. McClatchy



newspapers reported a 28.1 percent decline.

Across Indiana, we've watched dozens of layoffs. Some newspapers no longer employ photographers, or as the Indianapolis Star started a few years back, they send journalists to press conferences with cameras in hand to augment their staff photographers. Press releases are being printed verbatim as "News from You." Some papers

aren't publishing on Mondays or Saturdays. Earlier this month, Steve Key of the Hoosier State Press Association told HPI that he believed that the state newspaper industry had reached its low point.

But in talks with journalists around the state in recent weeks, many are girding for further cuts, further layoffs, and a further erosion of the local watchdog. ❖

FSSA, from page 1

vindicates those of us who have raised serious questions about the viability of turning to the private sector to handle critical government functions. Ever since this contract was signed, there have been so many complaints about the delivery of services that even a blind man could see that the system was not working. Perhaps this will put a needed brake on the desires to privatize more government functions."

Many Democrats were skeptical of the \$1.34 billion contract awarded to IBM and ACS in 2007. They noted that a similar system in Texas was scuttled due to problems.

Among the most vocal are those in the Evansville area where Democrat State Reps. Dennis Avery and Gail Riecken, Republican Rep. Suzanne Crouch and Sen. Vanetta Becker were either critical or wrote legislation seeking to stop further roll out of the IBM system.

These Democrats are already in the crosshairs of the battle for the House, as Republicans have recruited Susan Ellspermann, Warrick Coroner Ron Bacon, former DLGF Commissioner Cheryl Musgrave and Wendy McNamara to challenge Majority Leader Russ Stilwell, Avery, Riecken and State Rep. Trent Van Haften. At this point in the HPI Horse Race, none of these races would be any closer than "Leans Democrat" with the Stilwell/Ellspermann race rated "Likely Democrat."

Because the IBM story has run in the Evansville media market more intensely than almost any other in Indiana, the story will likely have a greater

impact on these four races than others across the state. But several observers see the Evansville area races as the GOP's attempt to "spread the field" and draw Democratic sources into the area.

Can the Democrats make the IBM story translate to other races in places like Anderson, Pendleton, Kokomo and races involving Reps. Vern Tincher, Bob Bischoff, Terri Austin, Scott Reske, Joe Pearson and Ron Herrell?

Possibly.

The IBM issue could also cloud another theme likely to emerge as Daniels and Republicans press for the Kernan-Shepard local government reforms. Bauer and the Democrats will almost certainly try to broad-brush the problems at FSSA into other "reforms."

In an Associated Press story, Daniels was asked whether this was a defeat for "privatization." He responded, "It has nothing to do with private or public. It had to do with a concept. If you had tried to use the same concept IBM brought, and every worker was a state worker, you'd have had exactly the same results, or worse." Democrats will almost certainly seek to refute that.

There are a couple of things to consider. One, this constituency - those seeking welfare services - is not a widespread constituency compared to those who felt the brunt of escalating property taxes. But when the jobless ranks swell beyond 10 percent, it has greater heft. Having said that, there's a more widespread notion of "fairness" and a stable social safety net. Democrats could translate the story to a wider swath of voters from both parties who deeply care about that safety net and demand that it be there for Hoosiers who need it.

Another aspect was covered by Niki Kelly of the Fort Wayne Journal Gazette, who reported Sunday: The state's Family and Social Services Ad-



Speaker B. Patrick Bauer and Senate Minority Leader Vi Simpson will seek more legislative oversight over FSSA during the 2010 session. (HPI Photo by



ministration also faces the task of replacing its dinosaur of a core computer system down the road, a cost not included in the IBM contract.

It could be a Republican political problem if there are cost overruns, delays and meltdowns. A computer replacement of such magnitude would be daunting even in a normal, non-political environment.

And Bauer and legislative Democrats will attack the issue on the legislative oversight front. "This does not automatically solve all the problems that are taking place at FSSA," Bauer said last Thursday. "Many of the subcontractors who remain on the job have generated serious concerns about their delivery of services, particularly ACS, and I suspect today's decision won't alleviate those concerns. In that light, I believe that it is necessary for the Legislature to continue to provide needed oversight of the changes to come. I will recommend to my fellow leaders that we appoint members of the House and Senate to fulfill that role in the months to come."

Senate Minority Leader Vi Simpson added, "It is now important that we maintain diligent oversight of the transition and this new hybrid system as it is tested."

Translation: The Democrats will use the upcoming legislative session to keep the pressure on the Daniels administration and House Republicans on this issue. There will be more headlines; more controversy.

On Tuesday, State Reps. Peggy Welch and Suzanne Crouch promised to closely monitor ACS. "We're going to be watching closely on ACS, because there is a perception that they are just as bad an actor as IBM," Welch said after a meeting of the Legislature's Medicaid Oversight Commission (Louisville Courier-Journal). Crouch, R-Evansville, said lawmakers remain skeptical of ACS because it was brought in by Mitch Roob, a former ACS executive who oversaw the IBM/ACS project as FSSA commissioner before becoming secretary of commerce. "People are uncomfortable that ACS is still in place and that they were brought on board by former Secretary Roob," Crouch told the Courier-Journal. Roob's office did not immediately respond to a message seeking comment.



Former FSSA Commissioner Mitch Roob in 2005 when Gov. Daniels created the Department of Child Services. Roob has since left FSSA for the Indiana Economic Development Corporation. (HPI Photo by Brian A. Howey)

Secondly, it's early.

Daniels did not concede that the entire enterprise had failed. "The fraud appears to have been stopped and we're still on track to save taxpayers hundreds of millions of dollars, but the intended service improvements have not been delivered, and that's not acceptable," said Daniels. "Those who raised concerns about service quality were correct and we appreciate their efforts. We'll now take the best parts of the old

and new and move ahead with a hybrid system in what amounts to a major mid-course correction."

There is still more than a year before the home-stretch in the battle of the House. There is still time for the governor's "hybrid" approach at FSSA to produce results.

Democrats on the campaign front are cautious. Kristen Self, who is coordinating House races for the Democratic caucus, told HPI on Tuesday that the issue still resides in the "policy" realm and much is to be determined. "We're still digesting the news and determining where the governor is going with this," Self said.

The Republican story line here could be that Daniels inherited a system fraught with rampant fraud, they tried an innovative approach that didn't work the way they expected and they acknowledged the problem and its critics, and went back to the drawing board and are now making it work. The Democrats will respond with: Remember Texas! Roob will be their poster boy.

The cautionary tale for Democrats can be found in the Bureau of Motor Vehicles. When Gov. Daniels' first BMV commissioner, Joel Silverman, initiated many reforms in 2005, Democrats and some Republicans like then-Senate President Pro Tempore Bob Garton were vociferous in their opposition. There were public hearings where people scolded Silverman. Garton, for instance, vowed to defend the Hope license branch slated for closure. The bad headlines were widespread.

There was also a July 2007 computer glitch during a system switchover that created several news cycles of bad headlines.

Today, BMV is seen as one of the administration's



greatest success stories. Wait times at BMV branches have evaporated from hours to minutes. Garton was defeated for re-election in the 2006 Republican primary, and by 2008 BMV was a Daniels' asset for re-election, taking a prominent role in his "Star Wars" headline TV ads.

Another example was Major Moves, which Democrats were confident would become a major campaign issue for the 2006 cycle. And while the party regained control of the Indiana House, it did so without taking a single Republican seat from Indiana Toll Road counties where polls suggested vulnerability; when earlier conventional wisdom had the issue as a GOP millstone.

Given the Democratic nature of that cycle (the party picked up three Indiana Congressional seats) emerging with a 52-48 majority while some observers thought

they might have 55 or 56 seats.

So, from a purely political standpoint, this is not a slam dunk either way. It poses promising campaign themes for Democrats and has the potential of putting Republican legislative challengers (and incumbents) on their heels.

Much will depend on how the new "hybrid" approach works. If it spawns months of bad headlines, that could hurt GOP candidates and keep the governor from regaining a Republican House majority.

An improving economy and a successful hybrid could render the story moot, or turn it into a Republican asset if Daniels tries a Ronald Reagan redux and pronounces a 2010 "Morning in Indiana."

Stay tuned. ❖

One of those 'dark weeks' for a governor

By **BRIAN A. HOWEY**

INDIANAPOLIS - Every presidential and gubernatorial administration finds itself in one of those dark moments when the world crowds in, the policy and political prospects dim and enemies seem to abound. For Gov. Mitch Daniels, that moment came last week when he decided to pull the plug on the \$1.34 billion welfare privatization deal.

Other governors have faced similar dark moments. For Gov. Robert Orr, it came in December 1982 when the state faced bankruptcy and he had to call the General Assembly into session to pass record tax hikes during the last severe recession. For Gov. Evan Bayh, it may have been the days leading to the 1993 special budget session when he had to opt for the riverboat casinos. Or Gov. Frank O'Bannon who began taking strident criticism from legislators in his own party, one of which accused him of being brain dead just months before a fatal stroke.

For Daniels, the FSSA welfare privatization deal was the culmination of a two decade experiment in which elected leaders became "CEOs" and government functions were out-sourced to private vendors. When Indianapolis Mayor Stephen Goldsmith came to power in 1992, Daniels chaired his Services Efficiency and Lower Taxes for Indianapolis Commission (SELTIC) which resulted in the privatization of city swimming pools, golf courses and sign shops. It brought in the concept of "activity-based cost analysis" which Goldsmith described as a "strategic tool initiative" that tried to put a price tag on every city service.

Another key player was Mitchell Roob who came from Crowe Chizek to head the Department of Transportation which later morphed into the Department of Capital Asset Management. He would later head the Health and Hospital Corporation. In the book "To Market, To Market: Reinventing Indianapolis," Roob espoused Goldsmith's theme of "reducing government control by turning the government's business over to private interests."

The book is critical of Goldsmith and Roob, with authors Ingrid Ritchie and Sheila Kennedy at one point writing of HHC, "Under Roob, political considerations appeared to play a more active role in the public health policy-making process, and greater emphasis was placed on political dimensions rather than on public health and safety."

The "thesis" of the administration was that "marketized" public service could be delivered at lower cost, without a corresponding decline in quality or quantity of services.

Now, flash forward to 2005 when Daniels assumed office and Roob headed FSSA. Roob would tell HPI in those days that the three major figures - Daniels, Roob and Goldsmith - had simply "traded positions." Daniels became the CEO; Roob headed FSSA; and Goldsmith became the adviser, as he currently is with Indianapolis Mayor Greg Ballard, multiple sources have told HPI.

The other element to this picture is that between the Goldsmith mayoral administration and the Daniels governorship, Roob worked for Dallas-based Affiliated Computer Services Inc., which was eventually included in the IBM welfare deal. From the beginning of this affiliation, critics abounded. They pointed out that Texas had pulled the plug on what the Indianapolis Star described as a "similar welfare privatization effort after thousands of people lost benefits they deserved."

And that's what happened here with the situation





exacerbated by the Great Recession of 2008-09, as tens of thousands of Hoosiers lost their jobs, their paychecks, their unemployment and their security. The computerized eligibility system that Roob oversaw was rolled out in 59 of Indiana's 92 counties. It didn't include some of the state's most populous counties such as Lake and Marion. Last year, news reports began to surface, led by Eric Bradner of the Evansville Courier & Press, who reported that southwestern legislators were getting deluged with complaints from welfare applicants who couldn't navigate the system. That led to a suspension of the roll out to the remaining counties last January.

While Daniels correctly states that the system he inherited was rife with fraud and inefficiency -- telling HPI last summer that the old system was still getting more complaints from the counties yet to switch over -- the problems with IBM and ACS can be appreciated by anyone trying to deal with any company where you can't talk to a real person.

Just last week, I tried to resolve a problem with my AT&T Internet and TV service. It was 45 minutes before I talked to a real person, who told me I needed to talk to another department. After another 10 minutes, I was talking with a someone that I suspect was at an outsourced call center in India, who couldn't find my account and I had trouble understanding his thick accent. Through automated phone systems and outsourcing, AT&T, like so many others, have cut personnel costs for themselves, but transferred the cost to the consumer in time spent navigating the system. The inefficiencies (and time) are transferred from the company to the individual.

My wife and I often remark: We're fairly smart people. "How do the dumb asses deal with these companies?"

Unfortunately, the Hoosiers dealing with the IBM/ACS system aren't "dumb asses." They are people who have lost jobs, who need food stamps and other social safety net services. And the new system became an unfor-giving maze. Or as Executive Director of Second Harvest Food Bank Lois Rockhill described in a published open letter to Roob in the Anderson Herald-Bulletin: "People needing Food Stamps, cash assistance and health coverage have very little wiggle room. Falling through the cracks is almost like falling through the gallows with a noose around your neck. You are at the end of your rope. The very system that was created to help you ends up punishing you."

Republicans like State Rep. David Yarde also heard about the flaws. "For some time now, my constituents have had trouble obtaining food stamps and unemployment benefits from FSSA," said Yarde, R-Garrett. "When you give the state your hard-earned money in the form of taxes, you can expect these services should be promptly available when they are most needed." ❖

FSSA debacle is sheer hubris

By **SHAW R. FRIEDMAN**

LaPORTE - Sheer, unadulterated hubris. Egos that knew no bounds. The smartest guys in the room. What can else can one say about the debacle at FSSA other than to weep over the lost lives and treasure spent on this absurd, reckless exercise in privatizing Medicaid and food stamp intake and eligibility services?



Nearly a third of a billion dollars spent so far on an ideological experiment gone horribly awry. The governor and his privatization czar Mitch Roob (since transferred to another job with a salary increase) had to know the jig was up about a month ago when the normally reliable Indianapolis Star, which had previously offered a knee jerk defense of every one of the governor's hare-brained privatization schemes, wondered aloud whether it wouldn't be necessary for the state to reassume welfare functions. It must have been comparable to when Walter Cronkite turned against the Vietnam War and LBJ announced to those closest to him, "If we've lost Cronkite, then we've lost the war." Having lost the Star and knowing there was no way he could turn to a Democratic president to indulge his privatization fantasies, Daniels knew he'd run out the string. There was nowhere else to run.

Rather than praise this governor for finally surrendering when he was literally surrounded on all sides, we're left to ponder how he and Mitch Roob could have allowed their rigid ideology to overwhelm common sense and to blindly ignore the failed privatization experiences of others. It's clear that the monstrous egos that drove the state over the cliff into IBM's arms were willing and ready to ignore all evidence to the contrary that this plan to take one-on-one human interaction out of the social services equation just wouldn't work.

Anyone who has dealt with computerized intake and the phone mazes at catalog billing centers knows just how difficult it can be to navigate for someone of even average skills. Yet the governor's private vendors didn't take into account those countless situations where often-overwhelmed and lower functioning individuals would have to navigate overburdened call centers and computerized application processes.

Of course, Daniels and Roob wouldn't listen to union officials like David Warrick who represented the state's longtime, dedicated corps of welfare caseworkers



in 2005. No, Mitch Daniels' first act upon becoming governor was to have ideology drive him to decertify the state's employee unions. Indeed, why listen to the Lois Rockhills, the Glenn and John Cardwells, the Nancy Griffins and others whose lifetimes of experience as advocates offered insight and knowledge that could have been invaluable had this governor only heard them out, rather than spouting his anti-government rhetoric believing the 'invisible hand' of the marketplace somehow offered a better way.

Certainly, why look to other states' experiences? Nah, what do they know? Had he really looked, Daniels would have found state officials in Texas admitting their privatization plan for welfare services was a complete failure. Their \$899 million contract with Accenture was reduced by \$356 million and ended last year, two years earlier than planned. As the highly respected Austin Statesman noted in an editorial a few years ago, "The Accenture experience has taught us important lessons that legislators should take to heart.

"State employees are better suited for administrative functions. Another is that privatization is no guarantee that taxpayers are going to save money."

Why wouldn't Mitch turn to his former boss's brother, Jeb Bush, for some guidance? The President's younger brother certainly had experiences to share about Florida's ill-fated efforts to privatize the handling of personnel services for state government employees. The Feb. 17, 2005, St. Petersburg Times reported that while taxpayers were supposed to save nearly \$100 million, "it didn't work out that way. The savings are about a fifth of the original estimate and state employees are furious about lousy service." Even Republican lawmakers in Florida who once supported similar privatization schemes were "reported to be disillusioned by the reality."

Perhaps what most infuriates those of us who have fought welfare privatization from the start – aside from the fact that Daniels and his 'New Crew' were willing to ignore and blunder forward despite evidence from other states – is that they chose to inflict this ideological experiment on those least able to

afford it. It would be one thing had the governor and his "brat pack" chosen to gamble their own families' medical benefits or food assistance on this reckless excursion. But he and Roob determined they were going to move forward and experiment on aging veterans who needed their Medicaid benefits, grandmothers needing their prescription medications and young, single mothers trying to provide for their children. This was unconscionable and it's not simply good enough to say "Well, it just didn't work."

It makes it clearer than ever before that Daniels and his ideological brethren have no business being near the levers of power. If they want to ply their "magic of the marketplace" snake oil on sophisticated, well-off colleagues in the private sector, that's one thing. But as legislators of both political parties, social service advocates and respected non-profit groups pointed out, the elderly, the infirm and the disabled took it on the chin with this reckless and ill-fated venture. On top of it all, no tax dollars were saved even as services suffered. Remember, the pitch Daniels and Roob made was that services would improve as costs were saved from closing local offices, increasing automation and reducing personnel.

It didn't happen.

Also, automation did nothing to aid fraud detection since prosecutions require a showing of intent, which caseworkers with face-to-face contact are critical for, whereas anonymous call center employees provide no help proving intent to deceive. The bottom line: Hoosier taxpayers didn't save one thin dime in this risky, ill-conceived experiment and countless recipients were denied the assistance they desperately needed and for which they were entitled.

It will take years for us to dig out of the costly mess that the governor in his defiance and recklessness have caused – and it didn't have to happen. ❖

Shaw R. Friedman is a LaPorte attorney who served as Legal Counsel to the Indiana Democratic Party from 1999-2004. He also was involved as counsel to eight LaPorte County public assistance recipients who filed suit in August 2008 seeking to block the privatization roll-out to northwest Indiana.

I can't imagine anyone interested in politics not reading Howey Politics Indiana. It's one of the best of its kind in the nation.

Charlie Cook, Cook Political Report

HOWEY *Politics Indiana*

About Brian Howey

A third generation Hoosier journalist, Brian Howey has reported, edited and provided commentary for the Warsaw Times-Union, Elkhart Truth, Fort Wayne Journal Gazette and NUVO Newsweekly. He is a go to source for Chris Cillizza's "The Fix", MSNBC's Chris Mathews Hardball and Andrea Mitchell, NPR's All Things Considered, the Washington Post, and Bloomberg News.

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Bayh has \$12.72M war chest advantage

By **BRIAN A. HOWEY**

INDIANAPOLIS - U.S. Sen. Evan Bayh will have about a \$12.72 million advantage over his closest Republican opponent. Don Bates Jr. told HPI he raised \$52,945.30 during the third quarter and has \$15,452 cash on hand. State Sen. Marlin Stutzman told HPI he posted "between \$80,000 and \$100,000" but could not confirm a specific amount.



Stutzman said that he operated through most of the third quarter as a true "exploratory" committee. In late September he officially kicked off his campaign in Kendallville. Stutzman said that he was "surprised"

by Dan Dumezich's decision not to enter the race. "Obviously Dan had some strengths," Stutzman said. Dumezich told HPI he had commitments of \$8 million before he decided not to run.

As for Bayh's war chest, Stutzman said, "Obviously this is a huge, huge challenge. But we're not afraid of hard work."

Stutzman said he has hired former Marion County Republican executive director Robb Greene to run his campaign. He was preparing for a trip through Posey, Warrick, Lawrence and Jackson counties. He'll be in Lake County Saturday for the GOP pork chop dinner. He said that U.S. Rep. Mark Souder, Senate President Pro Tempore David Long and State Rep. Matt Bell will be hosting a fundraiser for his campaign in November.

Carmel plumber Richard Behney has also declared for the race, but had not posted numbers and could not be reached for comment. Calls were not returned from his campaign.

5th CD: \$1.2 million spills in

Despite the tough climate for political fundraising, some \$1.232 million has spilled into the five-man 5th CD race with U.S. Rep. Dan Burton wearing the bull's-eye on his back.

The question now is whether any of the four challengers have any arrows of flint or granite that can sideline the incumbent, or whether they are just armed with balsa

shafts and rubber suction cups.

Burton leads the pack with \$433,651 and has \$441,835 cash on hand after spending \$369,183, including \$42,000 spent on direct mail solicitations for fundraising. But the rest of the field has raised \$798,559. Luke Messer leads the challengers with \$332,442, followed by State Rep. Mike Murphy at \$204,230, Brose McVey with \$154,257 and Dr. John McGoff with \$107,630, according to Federal Election Commission reports filed by the campaign.

The Indianapolis Star reported that of the \$89,893 that Burton collected from individuals giving at least \$200, only \$12,500 came from Hoosiers. Messer, by contrast, collected \$101,429 from Indiana residents.

Three of the challengers are claiming success in different areas. McVey has a wide array of endorsements from county commissioners and councilmen, city councilmen and State Sens. Beverly Gard and Brent Waltz.

Messer can claim GOP heavyweights such as former GOP Chairman Jim Kittle Jr., and leads the challenger field in money. Murphy has the endorsement of former Lt. Gov. John Mutz and claims legislative successes.



It's been a good week politically for Sen. Evan Bayh. He posted a \$12.7 million FEC total and his top opponent took a pass on the race. (HPI Photo by A. Walker Shaw)

Last Friday, for instance, Murphy noted that AT&T announced the activation of 20 new 3G cell sites that will enhance coverage for residents and businesses in more than 10 communities, including 5th CD towns Sheridan, New Palestine, Strawtown, Cicero, Alexandria, and Bakers Corner. "I introduced this legislation in 2006 because I knew consumers, business and Indiana's economy would benefit from increased competition and fewer regulations," Rep. Murphy said. "Time has shown that we were right. The telecommunications industry in Indiana is booming. AT&T alone has

invested over \$1 billion in Indiana."

Where does this leave the race?

If you could combine all the assets of the challengers, Burton would be in big trouble. We believe that Burton will likely command a good third of the pie. Right now there is not a challenger who can claim support in the 30th percentile. The critical question is whether the low



man in the money war - in this case, Dr. McGoff - comes to the determination that his campaign is futile, pulls out and endorses one of the other challengers.

That's the kind of scenario that might occur next January or February. Such a dynamic might give one of the money leaders a critical momentum boost that could reverberate through the field. If one or two of the challenger field were to drop from the race and consolidate their endorsements on one candidate, even in a three-man race this could pose a real threat to a Burton re-elect.

Murphy told HPI last week that he doesn't believe any of the challengers will leave the field. If that's the case, we believe that Burton will win an unimpressive primary victory.

The fact is, it's still very early and this race will not likely take on homestretch definition until February. The critical sequence may come between Feb. 1 when the fall-out from the fourth quarter FEC reports is palpable and the Feb. 19 filing deadline (or the Feb. 22 withdrawal deadline).

HPI Horse Race: LEANS BURTON

Incumbent FEC reports

Senate: U.S. Sen. Evan Bayh, \$633,000 in 3Q; \$12,730,000 Cash on Hand (COH).

1st CD: U.S. Rep. Pete Visclosky, \$141,739 in 3Q; \$916,036 COH.

2nd CD: U.S. Rep. Joe Donnelly, \$149,000; \$617,000 COH.

3rd CD: U.S. Rep. Mark Souder, \$107,767; \$126,635 COH.

4th CD: U.S. Rep. Steve Buyer, \$169,096; \$373,493 COH.

6th CD: U.S. Rep. Mike Pence, \$196,175; \$462,941 COH.

7th CD: U.S. Rep. Andre Carson, \$81,618; \$230,748 COH.

8th CD: U.S. Rep. Brad Ellsworth, \$115,770; \$388,922 COH.

9th CD: U.S. Rep. Baron Hill, \$168,485; \$541,869 COH.

2ND CD: Walorski moved up a cycle

South Bend Tribune and Howey Politics Indiana columnist Jack Colwell provided some insight into State Rep. Jackie Walorski's entry into the 2nd CD race against U.S. Rep. Joe Donnelly. Sources close to Walorski viewed the 2nd CD as a viable option in 2012 after new lines are drawn in the 2011 redistricting. Conventional wisdom is that the district will become more Republican.

Walorski enters knowing that defeating the moderate Blue Dog Donnelly will be tough this cycle, though the Democrat faces controversial votes on health care reform this year and possibly Cap- and-Trade in 2010. The Walorski camp believes that by running this year - even if unsuccessfully - her name ID will be much higher for '12 and she would be in the driver's seat for the GOP nomination. By passing on the '10 race, she risked allowing another Republican to do the same and be better positioned in 2012. The

2nd CD is one of the most evenly drawn in the state and an upset in 2010 is certainly possible.

As for Donnelly's future, HPI asked St. Joseph County Democratic Chairman Butch Morgan about a lack of a clear front-runner for the 2012 Democratic gubernatorial nomination. Would Donnelly take a look at that?

The answer was this: Donnelly will do what it takes to get re-elected next year and then take a look at his options beyond. That, Morgan said, would include weighing a gubernatorial bid.

7TH CD: May says GOP 'alienated' Latinos in 2006

Three years after Republican U.S. Reps. John Hostettler and Chris Chocola conducted immigration hearings that many Latino voters found offensive - prompting a backlash in 2008 when President Obama carried the state on the strength of 77 percent of the Latino vote - Republican Carlos May filed for 7th CD this week.

Describing himself as a "lifelong Republican," May, 30, acknowledged that the GOP "did alienate us" during the 2006 election cycle. He also said the news media played up the divisions because "conflict sells."



He said that the position of Rep. Hostettler - round up illegal aliens and deport them - "was just physically impossible." May noted that "as a next generation Republican, that message was not accepted by the American people." May said he favors enforcing existing laws, border controls and taking on the criminal gang element first.

He describes himself as a Republican who is fiscally conservative, favors limited government and low taxes, a strong national defense, while backing "strong individual liberties." He said that the "vast majority of Americans aren't far left or right." If elected, he said that he wouldn't make up his mind "until I've heard all the facts." He added that the "problem isn't so much with politicians, it's the media. They always push one thing or another."

"I want to do what's right, not what's easy," said May, who serves as Indianapolis Mayor Greg Ballard's neighborhood liaison. He's a graduate of Zionsville HS and Wabash College and earned a Doctor of Jurisprudence degree at Thomas Jefferson School of Law in California.

In front of a large crowd of supporters on West Washington Street and an Indianapolis business corridor his family helped build, May kicked off his challenge to U.S. Rep. Andre Carson by saying, "The last two election cycles



have seen voters universally reject politics as usual. The call has been for the next generation of Republican leaders to step up. Today I am accepting that challenge."

"Congress' first response should not be throwing more government at the nation's problems," May said. "What I believe sets this next generation of leadership apart is that we are willing to think 'outside the box' and look to innovative solutions rather than increasing the size of bureaucracy in Washington." May's top issues include: balancing the federal budget; reforming the health care and insurance industries; improving benefits for veterans; lowering taxes for all Americans; and providing job-finding assistance to correspond with his efforts to bring economic development to the district.

On the pending health care legislation, May questioned the rush to a decision, saying that in doing so, mistakes will result and messes will have to be cleaned up. "How can anybody read a 1,000-page bill?" he asked. "I don't know what the urgency is."

May also believes the United States should stand firm in the fight against terrorism: "For our country's long-term security, it's important to have stable regimes in Iraq and Afghanistan that view America as an ally and who help us in the battle against extremists trying to destroy freedom."

May will face Butler University Prof. Marvin Scott in the Republican primary.

8TH CD: Risk to run as independent

Long-time Spencer Republican Kristi Risk has told HPI she will run for Congress as an independent. She was a Rush Limbaugh radio listener who crossed over and voted for Hillary Clinton in the 2008 Democratic presidential primary and has since been barred by Owen County Republicans. "I had originally planned to run on the Republican ticket but I'm not so sure I can ever run as a Republican," she told HPI this morning.

DCCC outraises NRCC

The Democratic Congressional Campaign Committee raised twice as much as its GOP counterpart in September, raking in more than \$7 million and ending the month with more than \$14.7 million stockpiled for the 2010 midterm elections (CQPolitics). The National Republican Congressional Committee said it raised \$3.4 million in September, its second-highest monthly take this year. The NRCC will report \$4.3 million in cash on hand, less than one-third of the DCCC's bank account total. However, the DCCC had twice as much debt, about \$4 million compared with the NRCC's \$2 million as of Sept. 30. The DCCC said it had more than \$3 million in expenditures for September, while the NRCC said it spent about \$3.3 million last month.

Clere, Truitt opponents next week

House Democrats will be rolling out candidates to challenge Republican State Reps. Ed Clere and Randy Truitt next week, according to Kristen Self, who is coordinating races for the majority caucus. Clere upset State Rep. Bill Cochran in 2008 and Truitt won the Lafayette area seat vacated by Rep. Joe Micon.

Indianapolis Mayoral

Former Indiana and Marion County Democratic Chairman Kip Tew will not run for mayor of Indianapolis, joining former secretary of state Joe Hogsett on the sidelines. It came as former deputy mayor Melina Kennedy launched her new website at www.melinakennedy.com.

It's way too early to talk about "inevitability," particularly with Dr. Woody Myers and his vast personal war chest that could come into play, but right now Kennedy is seen here as the emerging front-runner.

The only other announced candidate is businessman Brian Williams and we hear more and more about him that matches up with our business experience with him: He's one arrogant dude. ❖

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Rich James, Post-Tribune: It was a Sunday in early May of 1993 and John Curley was making his way across Winfield Township pretty much the way Paul Revere did 200 years before on the streets of Boston. Curley was the township assessor/trustee at the time. For a rural area, that's kind of like being mayor. Curley, with Township Board President Garry Rinkenberger saddled up next to him, rode from farm to farm warning people that the Merrillvillites were coming. Word was that Merrillville was on the verge of annexing most of Winfield Township. Maybe even the next day. So, Curley collected as many signatures as he could on an incorporation petition. Thirtysome hours after he started, Curley plopped the signatures into the laps of Lake County commissioners. Merrillville went through the motion of annexing the township four hours later. But Curley, as was usually the case, had won. Actually, the people he served had won. And that was the birth of the town of Winfield. Curley, the Lake County Republican chairman, died unexpectedly on Tuesday. The county lost a heckuva man. I lost a friend. I always thought Curley would have made a good department store Santa Claus. Just like St. Nick, John often had that twinkle in his eye, especially when he had some hot political news to pass on. And that was pretty often. ❖

Sylvia Smith, Fort Wayne Journal Gazette: My colleague Amanda Iacone wrote a story that started out: "About 1,100 Waynedale post office customers have signed a petition in a fight to keep the branch open." Typical reaction from most readers about the possibility of fewer post offices: Boo! There's a connection between the dramatic decline in junk mail and the possible closure of the Waynedale and Diplomat Plaza branches. People and businesses are mailing less – 28 billion fewer pieces this year than last – and the Postal Service is looking at a \$5 billion deficit. There are more reasons for the red ink than the fact that many of us now send Facebook birthday greetings instead of a Hallmark card with a stamp. But the trend is away from posted mail and toward electronic bill paying, e-mailed notes, online banking, E-vites. Yet when Postmaster General John Potter says those trends have to be reflected in the agency's business plan – fewer retail outlets, fewer mail carriers, fewer blue boxes on the street corner, fewer delivery days – people go ape poopie. ❖

Mark Bennett, Terre Haute Tribune-Star: Gorillas command attention. And rightly so. Ignoring one — especially close by — can become a lost opportunity, if you enjoy living. That primate shows up as a metaphor for something that is obviously dominant, yet overlooked, denied or minimized. The creature cropped up earlier this month when I asked Indiana State University economist

Robert Guell to envision a "post-recession" Terre Haute. Not surprisingly, Guell's answer contained no sugar coating. "I think we will come out of this recession in much worse shape than we went into it," he said. "The gorilla in the room is the Pfizer departure." The closing of that pharmaceutical plant last year deleted more than 600 high-paying jobs, a cornerstone employer, and the charity giving and volunteerism those workers injected into community. The Great Recession didn't force the Pfizer closing. Instead, the infamous failure of its locally made inhaled insulin product, Exubera, caused the shutdown. So, in a way, that event created Terre Haute's own, personal recession. The global recession then heaped more troubles onto this town. The auto industry's collapse caused downsizings and slowdowns



at Wabash Valley parts plants and dealerships. The housing industry's dive hurt new brick and exterior siding factories around Terre Haute. Even Sony's high-definition Blu-ray discs, Guell said, face challenges from lower-quality, but cheaper competitors. "There's not a great deal to be excited about at the local level," Guell said, looking to 2010. Clearly, Terre Haute needs a new, positive gorilla in the room. On Wednesday afternoon, ISU President Daniel Bradley described some future plans that could fill the economic voids left behind by the nearly two-year recession. In a nutshell, Terre Haute finally would become a college town. Bradley connected the dots between the city's prosperity and that of the university. Thank goodness. ❖

Phil Wieland, Times of Northwest Indiana: Almost every taxing body in Porter County is pinching its pennies until Lincoln screams because of the prolonged delays in receiving property taxes. On some of the 2009 commemorative pennies, Abe appears on both sides, so his screams are in stereo. As they pay beaucoup bucks in interest on loans to meet daily operating expenses and lose another heap o' cash they could be earning in interest if the taxes were collected and distributed on time, the county is sitting on the money from the Porter hospital sale, a pot of money so big it is earning \$7.6 million in interest a year. According to state law, the county auditor is supposed to pay interest to the taxing entities on any tax payments not made in the year they were due. Valparaiso just got the last of the money due in 2008, but a little extra for nine months of interest seems to be missing. Interesting. It appears the auditor is going to plead "difficulty in collecting the taxes" as an excuse for not paying the interest allowed by law. I'm sure Valpo and the other communities would love to use that excuse when paying back all those loans, and I'm sure the banks would understand - for about as long as it took them to contact their lawyers about foreclosure. ❖



Today's data is yesterday's news

By **MORTON J. MARCUS**

INDIANAPOLIS - Most economists are of the opinion that we have seen the bottom of the recession and are in recovery mode. However, the evidence is scarce to support that position. There are signs here and there, fragments of data, and stories galore. But solid evidence has yet to arrive.



Morton Marcus
Column

We are finding out what the bottom looked like, assuming that the second quarter of this year was the bottom. This is like getting the pictures of your vacation a few months after you enjoyed the experience. So let's take a walk down memory lane.

Last week the U.S. Bureau of Economic Analysis released the latest personal income estimates for the U.S. and the 50 states. The second quarter

of 2009 (known to friends as '09.2) showed an increase of 0.2 percent for the nation. This infinitesimal increase was far better than the 2.3 percent drop in '09.1 and was most welcome after three consecutive quarters of decline.

Indiana fared well in these data. At 0.5 percent we ranked 16th in the nation among the 37 states that saw personal income rise in '09.2. But don't break out the champagne yet. For both the nation and Indiana these data are correct but illusory.

Personal income includes unemployment compensation. This is a good idea if you want to measure consumers' buying power. In '09.2, unemployment insurance payments (known as UI among those who care) in the U.S. and Indiana rose by 45 percent as more people lost jobs. This made UI in Indiana (\$3.6b at an annual rate), greater than the contributions to personal income from farming and mining combined.

It was that 45 percent growth in unemployment compensation that accounted for the advance in the nation's personal income. If our interest is economic activity, then earnings (what people are paid working for themselves or for someone else) is probably the best measure we can get at the state and local level.

Since 1997, earnings in Indiana and the U.S. averaged 76 percent of personal income. Where personal income rose slightly in '09.2 at the national level, earnings fell by one percent; Indiana saw a decline of 1.2 percent. Over the past year, earnings in the U.S. fell by 4.2 percent; 5.7 percent in Indiana. That decline left the Hoosier State

fifth from the bottom among the states, just ahead of Connecticut.

Earnings peaked in Indiana during '08, whereas the national peak was two quarters later. We entered this recession half a year before the nation did. There were nine other states that peaked when we did including none of our neighboring states. Florida, Idaho, and Nevada, where housing speculation was rampant, peaked one quarter before Indiana. Michigan peaked before all other states in '07.3, a year before the nation. Twenty-four states combined to give the nation its peak in earnings during '08.3 and nine peaked a quarter later.

This pattern of scattered peaks is important because it shows how dissimilar the states are. We may expect to find scattered starts to the recovery. Not that Michigan and Indiana will recover before the nation, but that many states will rise before the mass of states and a few will trail.

That same disparity will exist among sectors of the economy. Some will lead and others will follow. The result is that many people will not see the recovery in its earliest stages and will deny its existence. Those who witness a change in the economy before others are the true-believers. The rest remain agnostic for a few quarters longer. ❖

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

The Washington Post

SATURDAY, DECEMBER 29, 2007

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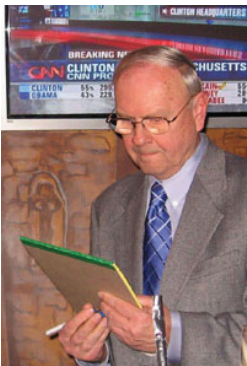


Dumezich exit a coincidence?

By JACK COLWELL

SOUTH BEND - On the day after Sen. Evan Bayh talked deficit reduction in the Oval Office with President Obama, the Republican regarded as most likely to wage a serious campaign against Bayh said that he won't run.

Coincidence? Probably. But in a way there was a connection.



Bayh, the moderate Hoosier Democrat who will seek a third term next year, has been warning of the dangers of growing federal deficits, sounding kind of like a Republican in cautioning about mortgaging the future and urging fiscal restraint.

After his meeting with the president, Bayh said that Obama agreed with the need to reduce deficits and asked for Bayh's help.

"He wants to put us on a glide path to getting the deficit down,"

Bayh said in an MSNBC interview. "He's serious about this."

In fact, Bayh said, Obama called him to the one-on-one meeting to discuss specifically the deficit problem and prospect for health care legislation that would trim rather than increase future deficits.

Just a day later, Dan Dumezich, former state legislator from Schererville who is a partner in a Chicago law firm, said he won't run for the Republican senatorial nomination and the chance to take on Bayh.

Dumezich, involved in Republican fund-raising and a big contributor to GOP candidates, was regarded as the potential challenger most likely to wage a well-funded, effective campaign against Bayh.

Well, Dumezich didn't hear of the Bayh meeting with Obama and say: "That's it. They took the deficit issue away. So I don't stand a chance."

Of course not. However, Bayh's ability to take issues away from Republicans and capture the middle ground in Indiana elections, with Republican challengers left with not even solid support from their own party, no doubt played a significant part in Dumezich's decision.

The potential GOP challenger told Howey Politics Indiana that his decision did involve an event last week. He said Bayh's stock went up with the Dow. "When we saw the Dow return to 10,000, that means we're seeing a much more robust economy. I think the Democrats will take credit for that," Dumezich said. "Bayh voted for the stimulus package."

Dumezich said he had commitments for \$8 million in campaign funding. Still, however, at least \$4 million short of what Bayh already has raised. And Bayh will raise much more, including contributions from Republican business types.

Dumezich concluded he had only one chance in five of beating Bayh in an improving economy. Not odds he wanted. Other potential Bayh opponents face even more difficult odds.

The way Bayh neutralizes Republican opposition does, however, anger many liberal Democrats who think he is too Republican. They would like him to get out of the middle of the road politically and take the left lane more often. But in Indiana _ still a basically conservative, Republican-leaning state, despite Obama's '08 victory _ a left-wing Democrat is known as "road kill."

Anyway, by fall of 2010, not many if any liberal Democrats will vote for a Republican senatorial challenger lashing out at Obama and calling for need of a Republican-controlled Senate.

In the MSNBC interview, Bayh also said he "would be inclined to vote 'yes'" on the health care bill that passed out of the Senate Finance Committee with Republican Sen. Olympia Snowe giving bipartisan support.

"It does get the deficit down," Bayh said of the measure. He also praised provisions to protect those now insured and to eliminate pre-existing condition exclusions and other flaws in health insurance coverage.

While Bayh almost certainly would vote to break any Republican filibuster of health care legislation, he wasn't promising to vote for a final version that contained expensive bells and whistles that could change a deficit-reduction measure to something adding to the debt.

He said he would "focus like a laser" on any amendments.

Bayh doesn't see this as talking Republican talk. After all, Republican talk of fiscal sanity was double talk when the GOP controlled the White House and Congress and walked backwards on the road to deficit reduction. As a result, Bayh contended, Obama "inherited more than 90 percent of this problem."

Now, Bayh said, Democrats should actually walk the walk, not just talk Republican talk, on curtailing future deficits. ❖

Colwell has been covering Indiana politics over five decades for the South Bend Tribune.



Indiana jobless rate declines to 9.6%

INDIANAPOLIS - Indiana's preliminary seasonally-adjusted unemployment rate dropped 0.3 percent in September to 9.6 percent the Indiana Department of Workforce Development reported today (Howey Politics Indiana). Indiana's unemployment rate has dropped 1.1 percent over the previous three months and is now lower than the national unemployment rate for the first time since October 2008. The national unemployment rate rose in September 0.1 percent to 9.8 percent. "Indiana is bucking the national trend with three straight months of declining unemployment," said Teresa Voors, Commissioner of the Indiana Department of Workforce Development. "We are encouraged by increases in manufacturing and professional and business service jobs. It's still too early to say we have turned the corner, but Indiana's economy is definitely trending in the right direction." This marks the first back-to-back monthly employment gains in Indiana since October/November 2007. Indiana has the lowest unemployment rate of its neighboring states. Illinois increased 0.5 percent to 10.5 percent. Ohio's unemployment rate decreased 0.7 percent to 10.1 percent. Kentucky decreased 0.3 percent to 10.9 percent. Michigan increased 0.1 percent to 15.3 percent.



Elkhart County at 15%, still tops in state

ELKHART - Elkhart County's unemployment rate dropped for the sixth straight month to 15.0 percent in September (Odendahl, Elkhart Truth). According to figures released today

from the Indiana Department of Workforce Development, the September jobless rate is the lowest the county has recorded in all of 2009 but it is still the highest in the state. Unemployment numbers in Elkhart County have been declining since hitting 18.9 percent in March. In August, the rate was 15.9 percent and in September 2008, the rate was 9.7 percent. The five Indiana counties with the highest unemployment are: 1. Elkhart - 15.0; percent 2. Noble - 14.5; percent 3. LaGrange - 14.0 percent; 4. Adams - 13.4 percent; 5. Fayette - 13.4 percent. The five Indiana cities with the highest unemployment are: 1. Elkhart - 17.8 percent; 2. Goshen - 13.9 percent; 3. Kokomo - 13.3 percent; 4. Marion - 12.7 percent; 5. East Chicago - 12.4 percent.

Lake Election Board refuses referendum

CROWN POINT - Lake County election officials all but washed their hands of a state-mandated Nov. 3 referendum vote to create a Regional Transportation Authority, a move one local community activist said violated his civil rights (Grimm, Post-Tribune). Citing the lack of funds needed to hold the vote and opposition from local communities to the \$414,000 price tag for opening polling places across the county Nov. 3, County Election Board members Tuesday ended discussion on what to do when Nov. 3 arrives. "I'd like to know how we can do our job without time to plan," said Sandra Radoja, chief deputy clerk. "We can't throw an election like a party we're going to have next Tuesday." St. John Republican Party Chairman Joseph Hero said the Election Board must do something to hold the vote, including asking county Prosecutor Bernard Carter to bring a civil lawsuit that could force the county to open the polls. Secretary of State Todd Rokita has said that any voter could bring a lawsuit against the county to force a vote, and has advised the county to

hold the election. Election Board members took no action on Hero's complaint. Their next scheduled meeting is Nov. 17.

Souder castigates President Obama

WASHINGTON - President Obama is waffling on Afghanistan, letting down Israel, abandoning Eastern European allies and is more prickly about criticism than any president since Richard Nixon, Rep. Mark Souder, R-3rd, said Tuesday night (Smith, Fort Wayne Journal Gazette). In a 45-minute conference call with people from northeast Indiana, Souder responded to questions that were largely about American foreign policy. "I believe that the president so much wants to get along with everybody, and he doesn't want to choose sides. He is nicer to Chavez, nicer to Castro, nicer to the president of Iran, nicer to all these thugs than he is to Israel, to Netanyahu. What is with this?" Souder said. He was referring to Venezuelan leader Hugo Chavez, Cuban leader Fidel Castro, Iranian President Mahmoud Ahmadinejad and Israeli Prime Minister Benjamin Netanyahu. "I think he really believes we're going to get a Palestinian state and all the Arabs are going give up their centuries-old enmity to Israel. I'm very worried right now," Souder said. But Souder, who has frequently said he will always stand with Israel because Jews are God's chosen people and God gave them Israel, said members of Congress - Democrats and Republicans alike - won't long stand for Obama giving short shrift to Israel. "Unless he starts to get his act together, he's going to find his Democrat friends are abandoning him, too," he said. Souder said Obama is "waffling" in Afghanistan because he hasn't asked Congress to allocate money to pay for the 40,000 troops that Gen. Stanley McChrystal, the commander in Afghanistan, said he wants. "Is he committed to winning in Afghanistan? No,



I don't see that commitment," Souder said of Obama. "My personal opinion is he would like to win, but he wants to do it with not enough troops. I am very afraid this is how you get bogged down and you lose life. For those of us from the Vietnam era, everything looks like Vietnam."

Lake GOP caucuses scheduled Oct. 31

CROWN POINT - Lake County Republicans will caucus Oct. 31 to elect a new county chairman (Dolan, Times of Northeast Indiana). GOP acting Chairwoman Kim Krull announced the caucus Tuesday. She said she will make a further announcement today whether she will seek the party leadership position. The party's approximately 400 precinct committee and vice committee members are to gather at St. Elijah Serbian-American Hall, 8700 Taft St., Merrillville, to replace John Curley who died Oct. 13. He served as county chairman from 2003 when state party leaders chose him to take over a party riven by factions and survived three challenges. Krull, who was elected vice county chairwoman earlier this year, became the acting chairwoman on Curley's passing. Lake County Council President Larry Blanchard, R-Crown Point, and Hammond Republican activist George Janiec, party secretary, said they have no interest in being chairman. West Creek Township Trustee Rick Niemeyer, who ran unsuccessfully for county chairman three years ago, declined to comment on the caucus. Mark Leyva, a Highland Republican who ran unsuccessfully against Curley in 2007, said he is holding his options open. East Chicago Republican activist Peter Thayer, who sought to topple Curley in a party leadership earlier this year, said he is unlikely to run.

Rokita to testify on Capitol Hill

WASHINGTON - Indiana Secretary of State Todd Rokita will testify before the U.S. House Subcommittee on Elections today at 1 p.m. in room 1310 of the Longworth House Office Building. As Indiana's chief elections officer, Secretary Rokita will provide expert testimony on H.R. 1719, the Voter Registration Modernization Act of 2009 (Howey Politics Indiana).

Rep. Smith critical of book Daniels passed out

INDIANAPOLIS - State Rep. Vernon G. Smith slammed Gov. Mitch Daniels on Tuesday for passing out copies of "Real Education" by controversial author Charles Murray last month to members of the Indiana Education Roundtable (Post-Tribune). Murray, a scholar at the conservative American Enterprise Institute who also authored "The Bell Curve," claims in "Real Education" that "There's not much that even the best schools can do to raise the reading and math achievement of low-ability children." Smith, D-Gary, said in a written statement that Murray's philosophy is "a throwback to 50 years ago when African-American and other students from economically struggling families were told they could never achieve beyond low-paying, dead-end jobs. "Now we have the governor of Indiana and his state superintendent of public instruction dusting off this withered, elitist, discredited theory and apparently embracing it as a policy for our state's educational future," said Smith, a professor at Indiana University Northwest.

No redistricting recommendations

INDIANAPOLIS - A legislative committee examining potential changes to how Indiana draws legislative and

congressional districts will not recommend any specific changes (Schneider, Indianapolis Star). But Sen. Sue Landske, the Cedar Lake Republican who is chairwoman of the Census Data Advisory Committee, said she's sure individual lawmakers will file bills on the topic when the Indiana General Assembly convenes next year. Now, the only requirement spelled out in the state constitution is that districts be contiguous. Asked by one lawmaker whether he still thought using political data should be made a felony, Rokita said: "Not necessarily."

Panel thwarts

Sunday booze sales

INDIANAPOLIS - A key legislative committee on Tuesday turned back efforts to allow Hoosiers to buy alcohol on Sundays at grocery stores and other retailers as well as a push to expand the number of vendors that can sell cold beer (Kelly, Fort Wayne Journal Gazette). But Tuesday's votes were only recommendations to the full General Assembly, which will consider the issues in the 2010 legislative session. "It's never over," said John Livengood, president of the Indiana Association of Beverage Retailers. "But it's a very positive step for preserving a system that serves the citizens of the state very well."

State ranks high in child abuse, deaths

INDIANAPOLIS - A new report shows Indiana had the eighth highest rate of child deaths from abuse and neglect in 2007 (Associated Press). The report from the nonprofit group Every Child Matters shows 3.35 of every 100,000 children in Indiana died from abuse and neglect that year. That's up 15 percent from the 2001 rate.