



Bayh a central figure in health drama

New poll shows vulnerability with Hoosier Democrats if he backs GOP filibuster

By **BRIAN A. HOWEY** and **MARK SCHOEFF JR.**

WASHINGTON - U.S. Sen. Evan Bayh is finding himself in the middle of one of the truly epic policy and political battles taking shape on Capitol Hill. When the health reform bill hits the Senate floor sometime on or near Nov. 11, Indiana's junior senator becomes one of the compelling figures in a drama that could shape one-fifth of the U.S. economy as well as the Obama presidency.

And Bayh could pay a political price if he follows through on a threat to block a health care reform bill. Politico reported that the Progressive Change Campaign Committee, the pro-reform advocacy group that's been pressuring Harry Reid in Nevada, commissioned a poll this week of likely Indiana voters and found that Bayh could face a Democratic backlash by opposing the public option.

Pollster Research 2000 found that 52 percent of state voters back the public option -- in keeping with



U.S. Sens. Evan Bayh and Joe Lieberman will play significant roles in the coming health care debate

recent national polls -- and that a significant percentage of Hoosiers would be less likely to vote for the fence-sitting Bayh if he chose to oppose the Reid-backed option. The poll showed that Bayh has a 62 percent approval rating. The former Indiana governor, who has taken about \$1.5 million in insurance company contributions, told CBS

News he'd consider siding with the GOP on procedural

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The Afghan abyss

By **BRIAN A. HOWEY**

INDIANAPOLIS - President Obama took a midnight trip to Dover Air Force Base and solemnly watched, then saluted as the flag-draped coffin of Sgt. Dale R. Griffin of Terre Haute was marched off the C-17. Griffin was one of 18 Americans killed in Afghanistan earlier in the week.

Obama walked along with the official party onto the huge, gray cargo plane, its hatch open, the Associated Press reported. They emerged one by one, the president last, forming a line of honor. The flag-draped remains of Griffin

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“This really is a government takeover of health care. This is just another version lurching out of the backrooms.”

- **U.S. REP. MIKE PENCE,**
reacting to the 2,000 page House Democrat health care bill this morning



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were carried off the plane by six Army soldiers in fatigues and black berets. Obama and the officials saluted.

Obama's visit honoring Sgt. Griffin comes as he is grappling with a firm decision on Afghanistan that could ultimately destroy his presidency.

It will be a gut-wrenching decision because just about any way he goes, he will be second-guessed and criticized. Even the process of making the decision has brought him a torrent of criticism.

Former Vice President Dick Cheney accused him of "dithering" earlier this week. In urging Obama to "do what it takes to win," Cheney said, "Make no mistake. Signals of indecision out of Washington hurt our allies and embolden our adversaries."

Question: When Cheney controlled the war levers, why didn't he do what it takes to win in Afghanistan?

U.S. Rep. Mike Pence said in a statement, "President Obama faces a choice of whether to adequately equip the military in Afghanistan or lose the war to defeat al-Qaeda and the Taliban. Gen. Stanley McChrystal, who was brought on to implement the counter-insurgency strategy the President himself endorsed in March, has made clear the additional resources he needs to get the job done."

"If we fail in Afghanistan, we risk the country returning to a training ground for al-Qaeda, with increasing instability spilling into a nuclear-armed Pakistan, and it will be only a matter of time before the United States would face the consequences," Pence said. "The sooner we get moving on the counter-insurgency strategy the better. Our soldiers and the people of Afghanistan cannot afford to wait any longer. Now is not the time to relinquish hard-fought, blood-bought gains in this critical front in the war on terror; now is the time for the President to act decisively to win the war in Afghanistan."

Question: How do we define "winning?"

We haven't even been able to

define "winning" in Iraq, where suicide bombs are systemically assaulting the shaky government as U.S. troops have been brought back to quarters.

And how - after nine years when the United States basically neglected Afghanistan for its disastrous decision to invade Iraq - do you build a winning strategy in a country that has rampant corruption, a literacy rate of about 25 percent, no local governments and virtually no urban cores? How can we build a military, police force and government with people that can't even read? With people who don't even understand the concept of what a "classroom" is?

The U.S. would be nation-building from scratch.

Where does the U.S. find the military resources when our Army and National Guard have already been stretched thin by the six-year Iraq war? And then there is the budget deficit every Republican likes to tag on Obama. The Bush-Cheney administration got around it by keeping the Iraq and Afghan wars off the budget (thus avoiding the towering deficits that plague Obama). That is a bizarre luxury beyond Obama's scope.

If the U.S. price tag for Iraq comes to \$1 trillion for a country that has some local governments, urban areas, a relatively high literacy rate and fledgling military and a national government, what will the 20-year price tag be to rebuild Afghanistan and defeat the Taliban?

Would it be \$2 trillion?

Can we afford that? It comes at a time when our own problems on the home front that need investment - education, infrastructure, energy - will be competing for resources in Afghanistan.

Then there's the public support. An NBC/Wall Street Journal Poll released Wednesday showed support for additional troops to Afghanistan at 47-43 percent. That is a reversal from September when 51 percent were opposed and 44 percent supported it. Fifty-five percent say they would ac-



cept sending an additional 10,000 troops and training Afghanistan's army and police; 46 percent favor not sending any more troops and focusing instead on attacking specific al-Qaeda camps on the Afghanistan-Pakistan border; and 45 percent support withdrawing all U.S. troops from the country.

Just 43 percent support sending 40,000 more troops to Afghanistan, which is the recommendation of Gen. McChrystal.

These numbers come during October, the deadliest month for American soldiers in nine years. According to the Wall Street Journal, every month since June, Afghan insurgents have killed at least 70 coalition soldiers, and Tuesday's attacks raised October's coalition tally to 68. Of those, 55 were Americans. Most of the deaths have been caused by bombs.

The political support will almost certainly erode during what will be a long slog over many years, perhaps decades.

Or as Sen. Evan Bayh told HPI last month, "Afghanistan will not be a perfect place in our lifetimes. It's probably not going to be the kind of place we will find acceptable in our lifetimes in terms of the kind of democracy they have, the economy, or any of those kinds of things. We're not in Afghanistan to help the Afghans. We're in Afghanistan because we were attacked from there and 3,000 Americans were killed. We're in Afghanistan because it's in the best interests of the United States that we're there. We should pursue that in any way that is sensible as possible. Once we can withdraw securely, we should. These are outcomes not ideal from the Afghans point of view. But we're paid to look after the interests of the American people, not Afghanistan."

Those are not the words of a politically astute senator willing to make the commitment to the nation-building required.

Or as reporter Dexter Filkins wrote in a recent New York Times Magazine article: The magnitude of the choice presented by McChrystal, and now facing President Obama, is difficult to overstate. For what McChrystal is proposing is not a temporary, Iraq-style surge — a rapid influx



President Obama salutes the coffin of Sgt. Dale Griffin of Terre Haute earlier today. The photo will likely become a defining one for the U.S. experience in Afghanistan. (Associated Press)

of American troops followed by a withdrawal. McChrystal's plan is a blueprint for an extensive American commitment to build a modern state in Afghanistan, where one has never existed, and to bring order to a place famous for the empires it has exhausted. Even under the best of circumstances, this effort would most likely last many more years, cost hundreds of billions of dollars and entail the deaths of many more American women and men.

Filkins quotes Gen. McChrystal: "Inade-

quate resources will likely result in failure." Gen. McChrystal noted, "You can kill Taliban forever because they are not a finite number."

In processing President Obama's dilemma, I would urge you to read Filkin's article on Gen. McChrystal and Afghanistan at <http://www.nytimes.com/2009/10/18/magazine/18Afghanistan-t.html>.

So, I rise to oppose U.S. nation-building in Afghanistan. We should do our nation-building here.

If we are concerned about Pakistan's several dozen nuclear warheads falling into the hands of the Taliban, perhaps we should consider confiscating and removing the warheads that Pakistan should never have been allowed to have to begin with.

A wiser investment would be to keep the drones in the air and recruit and train the intelligence networks in Afghanistan and Pakistan needed on the ground to keep Osama bin Laden in his cave and the terror camps in USAF crosshairs.

Empires crack and fall when bad decisions and neglect are compounded by further bad decisions.

I have come to the conclusion that Americans have little stomach to watch our men and women - our country - follow the British and Soviets into this abyss.

Final question: Will Obama, Cheney, President George W. Bush, Pence and Bayh commit their own sons and daughters (or grandsons/daughters) to fight this war and rebuild Afghanistan? ❖



Bayh, from page 1

votes if the cost of Reid's \$800 billion-plus plan weren't contained, saying it wasn't even worth "starting a discussion" if changes weren't made.

His base might punish him should he make good on the threat: Fifty-one percent of Democrats polled said Bayh's support of a GOP filibuster attempt would cost him their general election vote, and a similar number said they would be open to another Democrat in the 2010 primary if he voted against his caucus.

Senate Majority Leader Harry Reid ratcheted up the stakes last weekend when he decided to push for the public option. As soon as he did, Reid found himself trying to line up 60 votes on a pending cloture motion. It has become akin to squeezing an untied balloon while trying to keep the air from rushing out.

Politico reported that a quick phone call by Reid to the only Republican who might have supported the bill - U.S. Sen. Olympia Snowe of Maine - revealed the first probable defection. Asked Tuesday what Reid would have to change in his bill to get her vote, Snowe said: "The whole thing." Before the weekend, Snowe had suggested a "trigger" mechanism that would implement a public option in states where competition between private insurers failed to bring down health care costs.

Without Snowe or GOP backing, Reid must now hold together all 60 senators who align with the Democrats in order to avoid a filibuster. "I believe we clearly will have the support of our caucus to move the bill forward and begin legislating," Reid said on Monday.

Then came U.S. Sen. Joseph Lieberman's Tuesday bombshell, saying he would back a Republican filibuster. "We're trying to do too much at once," said Lieberman, an independent who caucuses with the Democrats and is already somewhat of a pariah to the Democratic left. "To put this government-created insurance company on top of everything else is just asking for trouble for the taxpayers, for the premium payers and for the national debt. I don't think we need it now."

Reid was facing problems on the left, where the once-shunned Sen. Roland Burris of Illinois said he wouldn't vote for a bill without the public option. Other influential Democrats like Chuck Schumer and Jay Rockefeller had adamantly pushed the public option, trying to sweeten the pot for moderates by suggesting the states could "opt out" by action from the various legislatures and governors. Gov. Mitch Daniels was studying the proposed "opt out" provisions, according to the Indiana Barrister blog.

With Reid trying to keep the spinning plates on sticks at both the right and left, the attention also turned to the Senate moderates like Bayh, Ben Nelson, Blanche

Lincoln and Mary Landrieu.

Bayh said he was keeping an open mind about a public option and wants the final bill to provide flexibility to states, according to Brian Weiss, his press secretary. "It is important for Hoosiers to decide on an approach that works best in Indiana, not for Washington to impose a one-size-fits-all plan on Indiana," said Weiss.

Bayh was also wielding his influence on behalf of his Indiana constituency. He said that a reduction in a proposed medical device tax kept him from joining Lieberman - whom he once cited as an influencing Senate mentor - as a defector. "Without that, they definitely would not have my support," Bayh explained. "He significantly modified that proposal in a way that I understand will not impact thousands of good-paying jobs."

Bayh this fall joined Sen. Dick Lugar and Minnesota Sens. Al Franken and Amy Klobuchar in expressing opposition to the medical device tax. Indiana is home to companies like Zimmer USA, DePuy, Biomet and Boston Scientific. The Associated Press reported that numerous officials said Reid had agreed to reduce the new tax to \$20 billion over a decade. The officials spoke on condition of anonymity because no announcement had been made.

Bayh told Politico that he was more concerned that the bill be "fiscally responsible and what does this mean in terms of the premiums average families pay for those who currently have insurance" as opposed to any public option. Bayh spokesman Weiss said that before the bill hits the Senate floor for the cloture drama, the senator is awaiting a new Congressional Budget Office score on the fiscal impact.

By the time Congress approves a final health care reform bill, everyone will be familiar with arcane Senate rules.

Reid faces two tests. One is to come up with 60 votes to move a bill to the Senate floor. The second is cobbling together the same number to get the measure to a final vote. Each time, the focus will be on Bayh and other moderate Democrats.

The question is how Bayh will vote on the "motion to proceed" to the health care debate and on "cloture," or the motion to end the debate. An "aye" vote on sending health care reform to the floor seems relatively safe. After all, even if Bayh doesn't like some parts of the bill, he can argue that he will back efforts to amend it.

The real pressure comes on the cloture vote. One option is to vote for cloture, which would then allow a final vote on the bill, then oppose the measure on the final vote. Bayh has said that he's not sure that substance and procedure can be separated.

The weird scenes inside the Senate are roiling the Democratic Party the most since the day Bayh walked into the upper chamber and began his Senate career at the beginning of the 1999 impeachment trial of President Bill Clin-



ton. Politico reported on Monday that party leaders got a sobering preview at last week's Senate policy lunch, which came in the wake of the Finance Committee's passage of the public-option-less bill crafted by Chairman Max Baucus. Bayh described the lunch as involving "a little performance theater" in an act of "emotional catharsis."

Lieberman's defection came before a CNN-Opinion Research Poll showed that by a 61-38 percent margin the public supports the "public option."

House Democratic reforms unveiled

Meanwhile, House Democratic leaders unveiled a sweeping health care reform bill this morning that includes a more moderate version of the government-run public health insurance option (CNN).

The bill -- a combination of versions passed by three House committees -- includes what is termed a "negotiated rate" public option. It will cost \$894 billion over 10 years and extend insurance coverage to 36 million Americans, according to House Speaker Nancy Pelosi's office.

The bill guarantees that 96 percent of Americans have coverage, Pelosi's office said. Under the House plan, health care providers would be allowed to negotiate reimbursement rates with the federal government, according to Democratic leadership aides. Pelosi's office said the bill would cut the federal deficit by roughly \$30 billion over the next decade. The measure is financed largely through a combination of a tax surcharge on wealthy Americans and spending constraints in Medicare and Medicaid. Medicare expenditures would be cut by 1.3 percent annually.

U.S. Rep. Mark Souder reacted, "I am disappointed, but not in the least bit surprised that the proposal unveiled today continues to ignore the concerns of many Hoosiers across northeast Indiana. During a time of economic recession, this latest attempt at a government takeover of our health care system will raise health care costs for individuals and families, add to our national debt, and hurt small businesses-many of which are already struggling. I will continue to fight this flawed plan and seek real solutions to the health care challenges we face."❖

Cities gird for tax cap homestretch

By **BRIAN A. HOWEY**

INDIANAPOLIS - The tax cap era for Indiana's cities and towns is morphing from two-dimensional checkers to three-dimensional chess.

With many 2010 city budgets completed and awaiting non-binding review from the 92 county councils, the easy part is close to being completed. Only a handful of municipalities have come before the Distressed Unit Appeals Board. It is unclear how many might be lining up there in the next two years. New Albany, for instance, is facing a \$544,000 shortfall.

Over the past two weeks, many cities have seen narrow, party line votes for budget passage. The Fort Wayne Council by party line vote carved \$460,000 from Mayor Tom Henry's budget, which ended up at \$177.5 million. The

Elkhart City Council cut \$500,000 out of Mayor Dick Moore's budget and it passed at \$54.5 million. St. Joseph County, which passed a local option income tax, passed a \$63.5 million budget that featured \$900,000 in cuts and the elimination of 40 jobs. The sheriff proposed increasing fines for speeding violations to save jobs on his force, according to the South Bend Tribune.

But the real work comes in 2011 when the caps take their full affect coupled with the delayed problems posed by the Great Recession of 2009 when cities and towns will be hit with dips in income and excise tax revenues.

There have been pockets of innovation, such as Kokomo's K-Fuel program (restaurant grease turned into diesel fuel), condensed garbage routes and ambulance service to cities. There have been a handful of consolidations in places like Zionsville and its surrounding townships, and a pending one between Greenwood and White River Township. But a consolidation petition drive between Evansville and Vanderburgh County has stalled. At this point, the incremental approach



IACT's Matt Greller says cities are resorting to innovations due to the tax caps, but still opposes them because it takes away local control. (HPI Photo by Brian A. Howey)



is occurring in baby steps.

But Jennifer Simmons, associate executive director for communications and policy of the Indiana Association of Cities and Towns (IACT), calls the changes made locally "low-hanging fruit" and noted that most of city expenditures come with employees. Many cities, she said, have cut their work forces through layoffs and attrition. That means that city personnel are getting older.

"Now the real cuts are coming," she said. In doing so, dilemmas for mayors and councilmen abound. When Kokomo Mayor Greg Goodnight surveyed city employees asking, "Do you want to lay off employees or reduce benefits?" the response was an overwhelming "neither."

The innovation has not been limited to local pockets. IACT Executive Director Matt Greller said that the state's offering of bulk road salt and health insurance pool purchases will be helpful. According to the Indiana Department of Administration, municipalities will save \$8.5 million in 2009-10 on road salt, or 40 percent. St. Joseph County is expected to save \$775,000, Lake County \$519,000, Michigan City \$536,000, Hammond \$269,000, Gary \$188,000, Elkhart \$132,000, Valparaiso \$130,000 and Muncie - which threatened not to salt streets outside of normal Monday through Friday business hours last winter - could save \$123,000.

Greller said the next phase between the state and cities will come with office supplies, fuels and road paving materials. "The state already buys massive quantities," Greller said. "They've been very accommodating." He credited Department of Administration Deputy Commissioner Rob Wynkoop with those progressive innovations.

"Will these things fill in the void created by the caps?" Greller asked. "No. But if we can work on these in other areas, we can find additional savings."

"Cities still need to pay personnel," Simmons said.

The statewide insurance pool kicks off on Jan. 1, with Greller citing Department of Insurance Commissioner Carol Cutter as being "very supportive." Cities had been experiencing 10 to 15 percent annual health premium increases. "We'll be able to keep that rate of fluctuation down in the low single digits," Greller explained.

There are other avenues for cities to save money. U.S. Communities Government Purchasing Alliance allows for Internet-based purchasing where cities can determine a price its willing to pay on a \$190,000 fire pumper and on an Internet auction, vendors ranging from police cars to street lights actually bid downward. "Cities have

been seeing 10 to 15 percent reductions," Greller said.

The problem with that system is that many municipalities have "entrenched" buying arrangements with local or regional vendors. And city councils like to "buy local."

What mayors and city council members are now facing is whether to buy local or lay off five or 10 employees.

And therein lies the rub IACT has with the caps. What is beginning to occur is what Gov. Mitch Daniels had intended. The caps would prompt municipalities to look at different ways to provide taxpayer services. Why should cities like Muncie and Kokomo - which have laid off firefighters - have a township embedded in their core that also maintains a fire budget, and, in many cases, have sizable budget surpluses?

"But he's taking away local control," Greller said. "Kokomo may be doing innovative things, but maybe the community didn't want to cut benefits. That flexibility has been taken away."

Greller's fear is that some cities will "hold on for too long" and then be forced to cleave chunks of city services in dramatic fashion.

Another problem facing cities is that many used President Obama's stimulus funds to plug spending gaps with elements like police protection. That money disappears in 2011 and 2012, coinciding with the full impact of the 2009 recession.

While IACT opposes the property tax caps being written into the Indiana Constitution - as Daniels and legislative Republicans will push for during the 2010 session - it will join forces with the Daniels administration on some of the Kernan-Shepard reforms.

Three of its eight legislative initiatives reflect some of the 27 K-S recommendations. One would be to prohibit municipal employees from serving on the council for which they work. IACT sees that as a conflict of interest.

IACT will also support flexibility in internal fund management. It wants to eliminate double taxation of services. "City and town taxpayers receive police protection from the municipality, but they are also taxed at the county level for sheriff services that are only provided in the unincorporated areas," Greller said. "City and town taxpayers should only pay for the services they receive."

The other five IACT initiatives include a return to the previous law of TIF expansion; municipal adoption of Local Option Income Taxes; a revision in LOIT distribution formulas; a more effective distribution of MVH and LRS revenue to local governments; and provisions for statewide local adoption of food/beverage and innkeeper's taxes. ❖



IACT'S Jennifer Simmons says cities have cut the "low hanging fruit." (HPI Photo by Brian A. Howey)



Fifth CD Republican challenger Luke Messer (to right of sign) is joined by five legislators and former Marion County prosecutor Scott Newman at the Fishers Government Center on Monday.

Burton continues to see erosion of GOP support

By **BRIAN A. HOWEY**

INDIANAPOLIS - It's rare to find state legislators willing to buck an incumbent member of Congress. But those legions are growing in U.S. Rep. Dan Burton's 5th CD. Challenger Brose McVey won the endorsements of State Sens. Beverly Gard and Brent Waltz earlier this fall. On Monday, Luke Messer lined up the support of State Reps. Sean Eberhart of Shelbyville, Bob Cherry of Greenfield, Rich McClain of Logansport and State Sen. Randy Head of Logansport

as well as former state senator Bob Jackman of Milroy.

While the defections are spread over two challenger campaigns, it still represents a serious erosion of support for Burton. Even more so if the challenger field consolidates.

That is spreading into the law enforcement community as well, with Sheriffs Doug Carter of Hamilton County, Bud Gray in Hancock County, and former Shelby County Sheriff Thomas Debaun backing Messer. But the big Messer prize on this front was former Marion County prosecutor and Indianapolis public safety director Scott Newman.

"At this critical time of national challenges, Republicans will soon be called to a new national leadership position requiring rebuilding, respect, energy, new ideas and established principles. Now is the time to renew ourselves and get ready. I say, let's invest right now in fresh, strong new leaders - leaders like Luke Messer," said Newman.

Indiana Commissioner of Labor Lori Torres, former Director of the Office of Management and Budget Charles "Chuck" Schalliol, and former Indiana Secretary of Commerce Nate Feltman also endorsed Messer.

And then there were the Republican Party leaders announcing their support for Messer, including Republican National Committeeman James Bopp Jr.; former Indiana State Vice Chairwoman Jean Ann Harcourt; former Republican National Committeewoman Diane Adams; 7th District Republican Chairman John Hammond III; and former 3rd District Republican Chairman Mike Miner.

In other 5th CD developments, State Rep. Mike Murphy released a comprehensive energy plan. "In developing strong energy policies, Indiana should maximize its historic ties to manufacturing," Murphy said. "Indiana is home to some of the foremost clean energy technology developments in the nation and we have the knowledge base to develop those technologies with our manufacturing workforce. Unfortunately, the federal cap and trade proposals will only hurt Indiana's manufacturing sector. We have a lot of assets in Indiana, such as wind, clean coal and electric cars, and those assets have the potential to create jobs. My energy plan provides the blueprint Indiana needs achieve that potential."

Included is a call for nuclear power, rapid deployment of smart grid technologies, clean coal technology, and the research and development for carbon capture and storage.





8TH CD: Buschon pondered 2008 run

Republican challenger Dr. Larry Bucshon told the Evansville Courier & Press that he had considered taking on U.S. Rep. Brad Ellsworth in 2008. "I talked to a number of political people here and in Indianapolis about possibly running, and looked at it pretty carefully," Bucshon told reporter Thomas Langhorne. "I decided that, based on the low approval rating of President Bush and the overall low approval rating of Congress and the way things were going with the war ... I decided (2008) was going to be a tough time for me to run." It was an astute assessment as Ellsworth defeated Republican Greg Goode with 65 percent.

9TH CD: Cook, HPI have it 'Leans' Hill

The Cook Political Report has moved U.S. Rep. Baron Hill from "likely" to "leans" Democratic. Cook cites the \$205,000 raised by Republican challenger Todd Young as one reason. The HPI Horse Race also rates the 9th "leans" Hill.

U.S. Senate: No Behney report

Calls for Republican Richard Behney's U.S. Senate campaign to get details and comments on his third quarter FEC filing remain unreturned. State Sen. Marlin Stutzman, R-Howe, reported \$84,000 in his third quarter filing.

Indiana House: 2 Dems announce vs. Clere, Truitt

Two more Indiana House candidates emerged this week with West Lafayette Councilman Paul Roales challenging Republican State Rep. Randy Truitt and New Albany city attorney Shane Gibson challenging State Rep. Ed Clere.

Both races are clearly within the grasp of House Democrats to regain after losing the seats in 2008. Truitt defeated Democrat John Polles in HD 26 by just 26 votes. Clere upset long-time Democrat State Rep. Bill Cochran in HD72 by 112 votes in the House stunner of Election Night 2008.

Both races are rated "Tossups" by the HPI Horse Race.

And these early declaration of candidacies - this time by the Democrats - continues an almost unprecedented pace of House candidates emerging more than a year before the election. Usually this type of activity isn't seen until January or February of the election calendar year. It signals what will certainly be the most intense House election

cycle in a generation.

Reform du jour

With the Daniels administration promising to bring back some of the Kernan-Shepard reforms for consideration - and probable rejection - by House Speaker B. Patrick Bauer and House Government & Regulatory Reform Chairman John Bartlett, the Democrats appear to be preparing for inoculation. Bauer announced an ethics package this week. Included in the Bauer package:

Cooling off: A one-year waiting period before legislators and appointees of the governor can become lobbyists.

Political contributions: Banning those getting or seeking state contracts from making political contributions to candidates for state office.

Legislative gifts: Lowering the threshold at which

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a lobbyist must report a legislative gift to \$50 in a day from the current \$100.

Session fund-raising ban: Extending the legislative ban on fund-raising during the long, budget-writing legislative sessions to cover the governor and candidates for governor. Fund-raising also would be barred on the days before, after and during the annual organizational meeting of the legislature, which is in November.

Conflicts of interest: A ban on representing clients with conflicting interests.

Some of the items, while drawing praise from Gov. Mitch Daniels and legislative Republicans, are hard to see actually passing. Would the governor accede to the notion of not being able to raise campaign funds from contractors with the state in the pay-to-play provisions of the Bauer reforms?

Does Indiana become a "cup of coffee" state between lobbyists and legislators if Bauer's \$50 limit is brought down to zero by someone like State Sen. Mike Delph?

As for the conflict of interest, is there a distinction between firms that just lobby and have fewer clients than the big law firms that represent clients that have opposing agendas? There was some speculation that this might have been inspired by Ice Miller's Lacy Johnson, who pushed for the relocation of one of the Gary casinos that caused a significant disruption between Bauer and the House Black Caucus.

The danger for Bauer is that if this legislation is window dressing and ends up in the dustbin, does it further ignite the tea party movement which is already aiming populist furor at incumbents?

Mayors: Jacobs endorses Kennedy

Former U.S. Rep. Andy Jacobs, Jr. endorsed Melina Kennedy's exploratory campaign for mayor of Indianapolis. "Melina's experience as a Deputy Mayor promoting jobs in the private sector, her passion for all of our families' common future, and her vision of an Indianapolis that aims higher, is admirable," Jacobs said.

"Harriet Tubman once said that 'Every great dream begins with a dreamer.' What's great about Melina is that she is a dreamer who wakes up, rolls up her sleeves, and goes to work getting things done," Jacobs added.

Kennedy said, " He is a treasure to our city and I am humbled to have his support."

Secretary of state

There was an Associated Press story several weeks ago saying Democrat Vop Osili would be kicking off his campaign in October. If that happened, Osili didn't get any media coverage that we could find. He does have an impressive website at <http://www.votevop.com/> ❖

Rokita rebuts the naysayers

By TODD ROKITA

INDIANAPOLIS - As I travel the state and talk about "rethinking redistricting," I've noticed that once Hoosiers are made aware of our "wild west" type of redistricting process, they generally express disgust and agree it needs to be reformed. A productive discussion is underway, and the campaign is being adopted by others.



I expect that as we continue this discussion over the next year, the initial interest will build into strong demand for the General Assembly to use specific criteria in the redistricting process – like keeping communities of interest together, utilizing compactness in their design, and eliminating the use of political data to draw partisan districts. Already the governor has made the discussion all that more real by stating he

looks forward to signing a bill based on these principles.

[private]

Having said all that, a few misconceptions have emerged. Some Glum-like characters found around the Statehouse, guest writing in this publication, or quoted in newspapers have concluded that redistricting reform is doomed and will never work. The reasons include population shifts, the location of the state's media markets and – my personal favorite – because we don't know when a congressman might retire. But if you look at the rethinking redistricting proposal, you will see that these considerations are irrelevant.

We took time to draw our own set of maps to show what could have been done at the beginning of the decade and what could be done in the future if the General Assembly follows an agreed-upon, preferably statutorily prescribed, set of criteria that puts people and communities before politics. This is a simple exercise that would dramatically increase competition in our elections, and competition is healthy and absolutely necessary if our Republic is to be maintained. Like we have done in other areas of the election process, as well as with broader issues in our state, this reform would move us directly to the front of the pack. But it will take leadership.

For the purpose of furthering the discussion, allow



me to offer some counterpoints to additional issues that have been raised:

Misconception: That “rethinking redistricting” calls for an independent commission or otherwise takes the job of redistricting away from the General Assembly.

Our proposal, in fact, recognizes the constitutional duty of the legislators to do their job, so long as they put the people before themselves. If they can’t or won’t do this, an independent commission would be needed. Even with a commission, the criteria I’m proposing should still be used by commission members. It is, however, too late to change the Indiana constitution, as would be required to have an independent commission in place for this upcoming round of redistricting.

Misconception: Simply requiring districts to follow county and township lines is no solution.

If you go to www.rethinkingredistricting.com, you’ll see that the proposal has quite a bit more to it than simply following existing community boundaries like county and township lines. But this is a very important part of the process. In addition, we should “nest” two House districts into every Senate district, and prohibit the use of political data for partisan gain. When combined, these suggested criteria would drastically improve Indiana’s voting process and lessen voter confusion.

Misconception: You have to use vote history data to draw maps so that they comply with federal law.

It’s true that some demographic data, not necessarily vote history, could at some point be needed to review the maps to ensure their constitutionality and compliance with certain federal laws. But political data used for partisan purposes can and should be kept completely out of the process. The Indiana Supreme Court specifically did not use vote history when drawing the current Marion County City-County Council lines. By the way, my definition of political data includes the moose on the table – incumbent addresses.

Misconception: It doesn’t matter to voters.



Glum

One legislator honestly said to me, “This issue never polls in the top five issues, so why should we care about it?” The response is most likely because no one asks the question, and we are doing just that with this initiative.

So far, the data shows tremendous interest. More than 3,500 people have come to www.rethinkingredistricting.com and more than 450 letters have been sent to legislators to let them know Hoosiers don’t want politically driven redistricting in 2011. Voters get that this is a threshold issue that impacts all other issues, from roads to health care to taxes.

If just winning elections is the primary objective of those whose current responsibility it is to draw the maps, let me offer this simple prediction: The electoral rewards will go to the candidates and the party or parties who put the people before themselves, especially in this environment of tea parties, town halls and a Congress that is too arrogant to even post certain bills on the Internet. Redistricting reform is a perfect exercise for determining if a legislator or caucus is on the side of Hoosiers.

I am eager to work with members of the General Assembly to continue the effort into the upcoming legislative session and beyond. ❖

Rokita is Indiana’s secretary of state.





Obama finding 'no' just like Mitch

By JACK COLWELL

SOUTH BEND - Indiana Gov. Mitch Daniels says he has been on the same path as that traversed by President Barack Obama.

No, not that path, not the path to the White House. In an interview in his Statehouse office, Daniels

said he never imagined himself as president. Nor, he said, will mention of him by some prominent Republicans at the national level stir his imagination and send him on a path to Iowa and New Hampshire.

"Now we know where the bottom of the barrel is," Daniels quipped of suggestions that he could be the Republican presidential nominee in 2012.

"In the upcoming year there will be some new faces," the governor said. He suggested that one new Republican presidential

prospect could be Meg Whitman, former eBay CEO, if she is elected governor of California in 2010.

"I think there will be a (solid) choice again soon," Daniels said. "It won't be me."

So, what path is shared with Obama? Daniels said both have traveled a path toward change and each has run into a "just say" opposition.

Has there been too much of that "just say" from Republicans in Congress?

"Yes, I think there has been," Daniels said.

He has advised Republicans to offer more alternatives, more ideas, more than "no."

Daniels recalled that when Democrats in the Indiana General Assembly opposed changes he sought when he came into office, he had a reaction similar to Obama's now.

"I said our opponents are the party of 'just running against the things we are proposing. I used the phrase many, many times,'" Daniels said. "It was interesting to hear President Obama using the very same phrase."

If not president, how about vice president? After all, Daniels would seem to be a more comforting presence a heartbeat away than would have either John Edwards, he of lacking morals, or Sarah Palin, she of lacking knowledge.

Daniels also scoffed at the prospect of being selected as a vice presidential nominee, calling it "wildly improbable" and a decision to be made by somebody not even to be known until mid-2012.

But if the presidential nominee and party leaders said they needed him on the ticket to help the party and the country, what would he say?

"I'd tell them they had rocks in their head," Daniels replied in the self-effacing way he has responded to all the national speculation.

Seriously, though, wouldn't it be hard for anybody to say "to such a plea?"

"I suppose," he said. "Anybody. But it's such a long shot."

Daniels just suffered a serious setback in his change agenda when he had to pull the plug on a 10-year, \$1.34 billion contract with IBM for privatizing welfare services. This enabled Democratic legislators to say they had been right in saying "no" to privatization. It also could take some luster off his national image.

But Daniels said his change agenda never was based on mass privatization. He said he has hired more state employees in some areas such as child protection services as well turning to the private sector to lease the Toll Road and for some prison services.

He said the 75-year Toll Road lease brought so much up-front money to the state that finance analysts regard the private consortium as overpaying.

He said a contract for running the New Castle Correctional Facility has been a success, despite one small-scale riot that could have happened in any penal facility."

He offered no excuses for blunders and delays with the IBM welfare computerization.

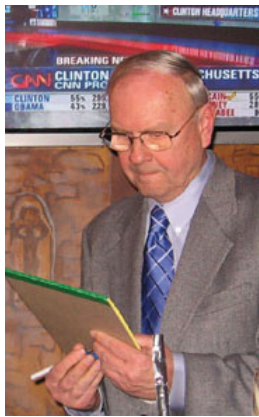
"It just did not work," Daniels said. "The concept looked awfully good on paper, but it did not work in practice."

The mistake, he said, was believing that face-to-face contact with caseworkers, the old fashioned way, could be replaced by phone or computer contact, a modernization supposedly speeding up the process and reducing errors and fraud.

In phone transactions, Daniels said, the person answering the call could not see actual documents, and there was "a huge problem" with applications not being right on the first attempt."

The path to change is not always smooth. Not for the president as he seeks health care reform. Nor for the governor as he sought welfare reform. ❖

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





Lesley Stedman Weidenbener, Louisville

Courier-Journal: When Gov. Mitch Daniels canceled the state's contract with IBM, the company leading the troubled privatization of the welfare eligibility system, he gained the appreciation and respect of some lawmakers who had been questioning the deal. But these same lawmakers — a group that includes some influential Democrats and Republicans — will be watching to see if Daniels' new plan works any better. After all, they've been hearing from constituents frustrated that they've struggled to receive benefits for which they've qualified in the past. Some Hoosiers have worked for months to get on food stamps or Medicaid, only to have their documents lost or be rejected for small paperwork errors. Sen. Vaneta Becker, R-Evansville, tells stories of two of her constituents who died while waiting for Medicaid approval. But for many lawmakers — and advocates for the poor, sick and disabled — the governor's admission of a problem and initial steps to fix it are signs that the system can get better. Daniels essentially fired IBM, which was leading the consortium of companies implementing the new eligibility system. That system required Hoosiers to use the web or the phone to apply for services, a move that created new options for many of the system's savvier users but eliminated the old system's face-to-face contact that older and disabled users relied on. For some, the new system has worked well. It has been more convenient and faster. But for others, it has been a disaster. Officials at the Family and Social Services Administration have been working with IBM for most of this year to improve the system. They've imposed financial sanctions against the company for the consortium's failure to meet federal standards. And they've tried to make changes to improve outcomes. But ultimately, FSSA officials and Daniels decided that IBM stood in the way of such improvement. Soon, the state will transition out of the IBM contract and take over the management of the other consortium contractors itself. The biggest of those contracts is with Affiliated Computer Services, the company that provides most of the actual workers in the eligibility system. Rep. Peggy Welch, D-Bloomington, is among those who have been critical of the old system and lauded Daniels for having the "courage" to make a change. But she said on Friday that she expects the governor and Murphy to be just as vigilant about evaluating the new changes. And she said they need to be prepared to fire ACS or any other contractor that's not getting the job done. ❖

Gary Gerard, Warsaw Times-Union: I'm not a big conspiracy guy. But if I was, I would have thought during the W years that he and his neocon buddies were deliberately trying to bankrupt the country. After all, that would



be a pretty clever way of eliminating all those government programs and privatizing all those government services. You know, the "starve the beast" theory. These days, I'm pretty confident President Obama isn't trying to bankrupt the country. He likes government programs. Heck, he wants more of them with regard to health care, energy and the like. Problem is, whether he wants to bankrupt the country or not, these days he and the crowd in DC are running the risk of doing just that. Back in 1991 a best-selling book, "Bankruptcy 1995: The Coming Collapse of America and How to Stop It" was written by Harry E. Figgie and Gerald J. Swanson. It was that book that some people say helped nudge then-candidates Bill Clinton and Ross Perot to make fiscal sanity in Washington huge planks in their campaign platforms. Some people even go as far as to say it was that book that staved off the eventual "bankruptcy 1995" because of the way it influenced politicians and policy. And if you remember, when Bill Clinton got into office, he and the Dems passed a budget with a tax increase. That coupled with a tech boom brought the government to a budget surplus for the first time in three decades. Of course then comes W and his crazy spending and we're back in deficit mode. And now comes President Obama and the deficit problem is off the charts. Honestly, I truly don't understand what these guys in DC are thinking. I hear President Obama continually reminding us of how he "inherited a \$450 billion budget deficit." That is absolutely true. But what's his answer to that problem? Turn it into a \$1.6 trillion deficit in his first year. What? So with a collapse in the world of finance, an enormous trade deficit, a national debt of \$12 trillion and the currency looking shakier by the day, it may not be a bad time to ask if the US isn't headed toward bankruptcy - again. ❖

Andrea Neal, Indianapolis Star: Expect property taxes to be back in the headlines now that November bills are due. Some homeowners are understandably dismayed their property values are rising at a time when the housing market is struggling. One Indianapolis resident saw his assessed value jump by nearly \$66,000, accompanied by a tax increase of \$1,600. His story was not unusual in his historic neighborhood, where some experienced assessment increases of 10 percent or higher. The value of a \$470,800 home on Broadway Street rose to \$521,800. Another valued at \$695,400 jumped to \$775,200. "Anyone who has not been hiding under a rock knows property values certainly did not increase in the past year," one homeowner said. In Allen County, more than 13,000 property owners received notices that their assessed value had gone up 10 percent or more, which will mean higher tax bills on their spring installments, The News-Sentinel reported. ❖



400 startup tech jobs coming to Kokomo

KOKOMO - The fog outside was thick and cold, but nothing could dampen the show of enthusiasm Tuesday, as the city of Kokomo announced the arrival of Zuna Infotech, an information technology start-up business (Smith, Kokomo Tribune). "Don't let the fog fool you, this is a very bright day for Indiana," Indiana Gov. Mitch Daniels said in welcoming Zuna's co-founder and chief operating officer, Jim Harter, to Kokomo. "Thank you for the business. We're so grateful you chose Indiana, and that you chose Kokomo," Daniels said during remarks at Inventrek Technology Park. "[Kokomo Mayor] Greg Goodnight and I will work for a long time to make sure this business surpasses your expectations." Zuna's launch, which included an announced goal of hiring 400 people at its new Kokomo headquarters during the next three years, comes in the midst of Kokomo's worst economic downturn since the early 1980s. Howard County and the city of Kokomo teamed up to offer at least \$200,000 in local incentives — mainly forgivable loans — and the Indiana Economic Development Corp. kicked in \$1.6 million in performance-based incentives to land Zuna. "This is truly humbling. I really want to build a company which will be an integral part of this community," Harter said. "We want to establish ourselves and keep ourselves here in the long term." Harter said the company has three main goals: providing sustainable and long-term careers for employees, providing a real alternative for companies currently "offshoring" their IT needs, and growing the company to a scale that will make a difference in Kokomo.



GDP rises 3.5%

WASHINGTON - The Commerce Department reports that economic activity increased at an annual rate of 3.5 percent in the third quarter of 2009 (Washington Post).

Centaur misses loan payment

INDIANAPOLIS - The owner of Hoosier Park Racing & Casino in Anderson today promised that operations are continuing "without disruption" despite missing loan payments and other financial problems (Indianapolis Star). Indianapolis-based Centaur, LLC said it did not make interest payments to senior lenders on Tuesday and that two affiliated entities associated with its racing, gaming and entertainment development project in Pennsylvania elected to file voluntary bankruptcy petitions on Wednesday. "The company will continue to operate Hoosier Park Racing & Casino in Anderson, Ind., and Fortune Valley Hotel & Casino in Central City, Colo., without disruption while also pursuing the launch of Valley View Downs & Casino in western Pennsylvania," it said in a statement today. "Our business operations at the property level are healthy and generate positive cash flow from operations. We remain committed to putting our capital structure on solid ground," said Centaur Chairman Rod Ratcliff. "Restructuring our corporate debt will place us in a position for long-term success and benefit our customers, employees, horsemen groups, host communities and other stakeholders. We are confident our steps will ultimately strengthen the company."

Teller error caused GOP bank shortfall

INDIANAPOLIS - here was a blog report on the Indianapolis Times website that the Marion County Republican Party had an \$8,000 shortfall. Chairman Tom John confirmed the

shortfall when contacted by Howey Politics Indiana. He was not contacted by Terry Burns of the Indianapolis Times blog prior to the posting. "The teller deposited a \$7,000 and change check into the wrong account," John said of the account at Indiana National Bank, which he called "incompetent." John also acknowledged that the party's website is down. He said that was planned and that a new website will be up and ready for the 2010 election cycle. As for his relationship with Indianapolis Mayor Greg Ballard, John said the mayor's re-election campaign will be run out of the county party headquarters. "We are on the same page with the mayor," John said.

Rokita recovers Chrysler bonds

TIPTON - Indiana Secretary of State Todd Rokita's Indiana Securities Division has finalized a consent agreement with Old Carco, LLC, the company formerly known as Chrysler, LLC, which has resulted in the return of \$5.5 million in bonds to Tipton County (Howey Politics Indiana). The bonds were returned this week after the agreement was accepted by the United States Bankruptcy Court for the Southern District of New York. Tipton County issued the bonds to Chrysler in September of 2008 along with an equal amount to Getrag Transmission Manufacturing to finance infrastructure improvements to support a transmission plant that was to be a joint venture between the two companies. The day after the bonds were issued, Chrysler disclosed it could not make guarantees to Getrag necessary for the German company to secure funding for the project. In November of 2008, Getrag filed for Chapter 11 bankruptcy protection and pulled out of the project, leaving the plant vacant. "I'm pleased that by holding Chrysler accountable to the terms of this agreement we will be facilitating Tipton County's recovery of these bonds, and that the county can finally



move forward with efforts to ensure this commercial property fulfills its promise," said Secretary Rokita. "This action ends a nearly tragic economic development saga, and will benefit Tipton County and the entire region as it moves forward with their business development and job creation efforts," he added. Tipton County Commissioner Jane Harper said, "The Tipton County commissioners would like to express our sincere gratitude and thanks to Secretary Rokita and his staff for the many hours of time spent in working for the best interest of Tipton County."

Savage rebuts Rep. Smith

INDIANAPOLIS - The state's proposed new rules for teacher licensing do not allow a career changer with no training to become a teacher, despite what many have claimed, a state education official said Wednesday (Times of Northwest Indiana). Indiana Department of Education spokesman Cam Savage countered claims made Monday by state Rep. Vernon G. Smith, D-Gary, a professor of education at Indiana University Northwest. Smith said the Rules for Educator Preparation and Accountability would reduce the amount of field experience required of teacher trainees. That's not so, Savage said. All prospective teachers -- those in undergraduate programs or career changers pursuing teaching certification -- would need to complete nine weeks of practice teaching under the proposed rules. That represents no change from current rules, Savage said. The idea that someone "off the street" could become a teacher without any practice teaching is simply wrong, Savage said. There is no new alternative path to licensing, he said.

Brand celebrated as visionary

INDIANAPOLIS - Myles Brand, the former president of Indiana University and the NCAA, was remembered

Wednesday night at Conseco Fieldhouse with two hours of song, poetry and messages from many of those who loved him most (Cavin, Indianapolis Star). Brand also was honored with action, something that would have touched his soul. IU President Michael McRobbie announced the endowment of a chair at the IU School of Medicine for cancer research, specifically pancreatic cancer, which claimed Brand's life Sept. 16. McRobbie said 145 donors have contributed a total of more than \$1.1 million, and IU will contribute \$1 million. The news drew one of many rounds of applause from the crowd, estimated at 1,000. Brand, who was IU's 16th president and the first NCAA leader to come from academia, was credited with forming Clarian Health Partners, the consolidation of IU's Medical Centers and Methodist Hospital, the largest single privatization in IU history. He was hailed as a compassionate visionary who listened to others. "He did not have a philosophy of living life; he lived that philosophy," said John Walda, the former president of IU's board of trustees who was chairman of Clarian Health. "He walked the talk."

Harley to announce new site in December

YORK, Pa.- Harley-Davidson says more jobs will be lost at its central Pennsylvania plant even if the company decides to keep the plant in the commonwealth (Columbus Republic). The company told employees Wednesday that it plans to outsource "non-core" job functions to suppliers, including some subassembly, chrome-plating and stamping of parts. Company spokeswoman Pat Sweeney says the plan would keep vehicle assembly, metal fabrication and painting at the plant. Sweeney says the company plans to decide in December whether to keep the plant in York County or move it to Shelbyville, Ind.,

Shelbyville, Ky., or Murfreesboro, Tenn.

Hoosier activist joining EPA

WASHINGTON - An environmental activist who lobbied for protecting Indiana's children from toxic threats has been named to a post with the U.S. Environmental Protection Agency (Associated Press). Janet McCabe has been executive director of Improving Kids' Environment since June 2005. On Nov. 9, she'll take over as principal deputy to Gina McCarthy, who's the assistant administrator of the EPA's Office of Air and Radiation in Washington, D.C.

Mourdock pushing banking program

EVANSVILLE - Inspired by an Evansville program, Indiana Treasurer Richard Mourdock on Wednesday launched a statewide drive to connect as many as 215,000 Hoosiers who don't have checking or savings accounts with banks and credit unions (Evansville Courier & Press). Mourdock, a Republican and former Vanderburgh County commissioner, announced the program "Bank on Indiana," at an event in the Statehouse atrium with Evansville Mayor Jonathan Weinzapfel, a Democrat. The program is designed to keep Hoosiers from spending hundreds of dollars on check-cashing services and spare them the risks associated with carrying large amounts of cash or keeping it in their homes. Partner financial institutions offer accounts with low minimum balances, or no minimum balances at all, as well as information on managing money.