

The Howey Political Report



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“QUOTE” OF THE WEEK

“I don’t know how to get the message across. It’s important for people to understand what the condition of the state of Indiana is in....”

- Gov. Frank O’Bannon, to the *Indianapolis Star*

Kernan, O’Bannon & a ‘Perfect Storm’

Democrats view pivot of past, present

By **BRIAN A. HOWEY**, in *French Lick, Indiana*

In the space of one hour, those attending the 121st annual Indiana Democratic Editorial Association convention witnessed the pivotal point of the party’s past and future.

At the “Camp O’Bannon” seminar, 1996 and 2000 campaign manager Tom New presided over a rerun of Gov. Frank O’Bannon’s TV ads of last year that ensured him a second term as well as a history-making 16 consecutive years of Democratic rule: “*He’s a fiscal conservative*” ... “*he cut taxes \$1 billion*” ... “*he knows when to tell the legislature when to take a hike*” ... “*who were you talking to, Taylor?*” ... “*and he’s a good-looking, young man, too.*”

Minutes later, in the Colonnade Ballroom at French Lick Springs Resort, Lt. Gov. Joe Kernan gave his keynote. His message was meant to gird the partisan faithful for the party’s looming Normandy this fall. “The time is now” to restructure the state’s tax system, Kernan declared. “It’s not going to be easy. This is as good of an opportunity as we’ve had. Over the last 10 years and over the next 30 years, nothing is going to be more important. I will not stand by and watch it become more difficult for Hoosiers to own their own homes. I cannot let that happen.

“It will require bipartisan support and it will require each of you to be involved. Let’s all pull together.”

The events at French Lick had the feel of a torch passing. It was as if the King (O’Bannon, the victor of the Tax Wars gone by) had given free rein to his prime minister, the pugnacious Kernan. Some had speculated that Kernan bristled when the tax restructuring assignment was dumped in

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DANIELS GRILLED ON SOCIAL SECURITY: ABC News grilled OMB Director Mitch Daniels about the prospects of using Social Security to balance the budget. "Nothing is particularly clear about this," Daniels said this morning. "We're going to have a giant surplus in this year and every year to come. We have a very strong fiscal picture; what we don't have is a strong economy." ABC's Terry Moran asked if the Social Security lock box would be touched. "We could be right, they could be right. The symbolic commitment is essentially being met," said Daniels. Asked if it had been reduced to a "symbolic commitment," Daniels responded, "The promise was a very real one. This is a very good news story, but we ought not let it distract us from the real story. Congress holds the purse strings. They will have to keep or not keep a given promise."

IU OWES \$2 BILLION IN RETIREMENT TO PROFESSORS: Indiana University expects to pay \$2 billion over the next 30 years to professors who no longer teach, the result of the university's failure to put aside money for a retirement plan used for decades to attract and retain faculty (Rex Huppke, Associated Press). Some professors fear the

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his lap. The reality is that over the past year, Kernan has realized that if he's going to have to live with the consequences of tax restructuring in 2004, then the tenacious Irishman had better lead the charge, cash in his own high-riding political capital, and make sure the thing is done right. Kernan was the point man at IDEA. Gov. O'Bannon's role diminished to a 5-minute cameo at the end of the Saturday night banquet.

If tax restructuring ends in fiasco, Kernan may end up staring in his bathroom mirror next year pondering the image of John Mutz, another successful LG possessing a resume with "governor" stamped all over it only to be denied by a dramatic change of dynamic.

Less than 12 hours later and 100 miles to the north, the *Indianapolis Star* bluntly laid out the reality. Reporter Kevin Corcoran quoted the Indiana Fiscal Policy Institute's Bill Sheldrake ("The current rate of decline in revenues is really quite historic") and Senate Finance Chairman Larry Borst ("The guy ran for governor. He's gonna have to figure it out. He can't sit back like he has the last five years"),

and perhaps most jarring of all, Gov. O'Bannon himself ("I don't know how to get the message across. It's important for people to understand what the condition the state of Indiana is in.")

As the *Star's* Corcoran reported, "A combination of poorly planned tax cuts, increased spending and revenue losses will leave the state's once-healthy budget surplus a faded memory by mid-2003." There was talk of a "modest tax increase," perhaps in a revived cigarette tax or a redirected flow of tobacco settlement money. Clearly, the days of "thanks a billion" that Tom New adroitly orchestrated in 2000, are gone.

Facing a \$500 million deficit, O'Bannon vowed to keep the budget and tax restructuring separate. Borst was already shooting that notion down. "I can pretty well predict the legislature isn't going to raise any taxes until the governor grapples with the budget. I think they've painted themselves into a corner" (*Indianapolis Star*).

Former gubernatorial aide Steve Bella called the public policy ferment a potential "Perfect Storm" for 2003 with a growing deficit budget, a stiff new set of public school standards that had the

Bloomington Herald-Times reporting on Sunday that 86 percent of its circulation area schools would fail, and tax reassessment threatening homes and businesses.

The low-voiced conversations in the French Lick Springs Resort alcoves, bars and dinner tables centered on the subterranean rifts between the O'Bannon-Kernan administration, Speaker John Gregg, Ways and Means Chairman B. Patrick Bauer, and whether the Republicans would even show up at a special session in any other mode than one of impish obstruction.

Thus, Kernan, a man Speaker Gregg proclaimed in a *Times of Northwest Indiana* interview last week as possessing a "clean slate" with legislators, was imploring the majority party to "pull together." For the rank and file, Kernan was telling them, "It is going to require each of you to get involved. We cannot do it without you. You have to be involved. You have to talk to your neighbors, your representatives in the House, Speaker Gregg, Senate Minority Leader Richard Young. We have to pull together."

The key message from Kernan was the phrase "revenue neutral" for his formulating plan, even though Indiana and its aging Baby Boom population is faced with skyrocketing Medicaid costs, thousands of derelict bridges, urban school districts facing towering bond issues, and Herman B Wells' \$2 billion unfunded "golden handcuffs" for retired IU professors.

It prompted one prominent Democrat to tell *HPR*, "The governor, lieutenant governor, Speaker Gregg and B. Patrick ought to have a summit at the Aynes House to make sure they're all on the same page next month. Otherwise, it could be a disaster." Aynes House is the gubernatorial retreat in Brown County. A number of Democrats have expressed fear that Kernan's tax restructuring plan would be dead on arrival if the powerful Bauer - still bitterly angered at the administration at the end of the last legislative session -

shoots down the plan as he immediately did last spring's tobacco tax, or full day kindergarten in past years.

While the other powerful tax broker - Borst - is talking a big game of cutting spending before raising taxes and unpainted corners, there are other elements at play that could influence The Perfect Storm scenario.

One is the big city mayors, who are petrified that a tax restructuring fiasco in 2001 or 2002 means skyrocketing property tax bills hitting homeowners right before their 2003 re-election campaigns. Republican mayors such as Lafayette's Dave Heath, Elkhart's Dave Miller and Evansville's Russell Lloyd Jr. will be twisting the arms of their Senate brethren to make sure the fix is in before the voters get frosted. A cynic might look at that same dynamic and count the two big Democrats - Indianapolis's Bart Peterson and Fort Wayne's Graham Richard - as ample collateral in a high-stakes city trade-off. "This is our No. 1 issue," Peterson emphatically told *HPR* after having helped broker a \$250 million bond deal between frightened businessmen and the Indianapolis Public Schools, far short of the \$850 million needed. Peterson is also faced with more than a billion dollars in sewer upgrades. "It's important that we do something. Certainly we ought to be involved in any decision that is made."

But then there's their own skin. Legislative Democrats, many of whom will be running in tough, newly drawn districts with more Republican voters, are mortified at the prospects of any kind of tax increase, even tax hikes on cancer cowboys sucking on death tubes.

That's why history may judge O'Bannon on his two windows of opportunity to restructure the tax code - 1997 and 2001 when his political capital was at post-election high tides. Legislators will be up for re-election in 2002, their Build Indiana Fund slush accounts in doubt, and political sirens blaring in what could be "the perfect political storm." ❖

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cost of the program eventually will compromise IU's future by limiting salaries, hiring and research funding. "I think the situation is even worse than they admit," said IU economics professor Martin Spechler. "Where's the money going to come from?" The program "was started for all the right reasons," said Judith Palmer, IU vice president and chief financial officer. "It would just have been nice had somebody put a funding methodology in place at the same time." IU is just beginning to feel the economic impact as those vested under the 18-20 Program retire. Retirement costs will build until about 2013. That year alone, according to the most recent university estimates, the school will pay out \$106 million to retired professors and administrators. The retirement plan was created by former IU President Herman B Wells. In the late 1950s, IU was unable to offer competitive salaries. Wells implemented the program in 1959 to attract professors to IU and retain them. It did so well that faculty began referring to the 18-20 Program as the "golden handcuffs" — the reward for staying at IU was so rich, they were financially bound to the university. The program was eliminated in 1989. Thus far, IU officials have been reluctant to dis-

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cuss the 18-20 Program with lawmakers.

BUSH VOWS TO HELP STEELWORKERS: President Bush joined more than 1,000 steelworkers for a family picnic Sunday in West Mifflin, Pa., and won their hearty approval as he vowed to protect the domestic steel industry against illegal foreign imports, calling it a matter of "national security."

SCHOOLS FLUNK RATING SYSTEM: A school system sought by Indiana business leaders would mean bad news for many public schools, a survey has shown (Doug Wilson, Bloomington Herald-Times). The rating system is based on ISTEP scores and was approved last month by the State Board of Education. Business leaders and Gov. Frank O'Bannon successfully lobbied the state board to reinsert labels for different performance levels. The labels are exemplary, commendable, adequate, marginal and unsatisfactory. School administrators oppose the labels because they say a very small difference in the rating categories can move a school from one category to another. Leaders on both sides of the debate say hundreds are expected to turn out for public hearings on the new rating system on Sept. 5 and 6 in Indianapolis. The board is expected to vote

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PERHAPS... WE WANDER

By Brian Howey

A party lubrication at exciting French Lick

FRENCH LICK - Hoosier Republicans keep asking me about this small, Orange County town.

Specifically, they want to know more about the Indiana Democratic Editorial Association. They want to know if there's an Indiana Republican Editorial Association.

To which I'll let Evan Bayh answer, in a way, the first question. Sen. Bayh related his French Lick travel itinerary to someone in Washington. "Is that as exciting as it sounds?" was the question the junior senator got back.

Invariably, as with any convention, the answer might be a sultry summer "yes."

But then there's U.S. Rep. Mike Pence, who inquired, "Was the IDEA event last weekend? If it was, too bad it wasn't the week before. The Pence family was staying down at the resort all weekend. Wouldn't that have been a fun moment? Just back from a restful vacation."

The week after, Pence's probable 6th CD Democratic opponent, Melina Ann Fox, was meeting at the French Lick Springs Resort with U.S. Rep. Steny Hoyer, who heads the House Democratic Steering Committee and will be making decisions next year about which campaigns will get a flow of national money in 2002. For Fox, it was establishing the groundwork for such a decision to go her way.

And that's the way it is at French Lick. It is a *lubricatus* affair, where the powerful mix with the rank and file as well as the tourist class. Yes, yes there are kegs on the veranda. Late Friday night there was a makeshift blues band that got the lobby chandeliers rattling.

But by using the term *lubricatus*, it goes well beyond kegers and cocktails, hospitality suites and stemwinders. For Hoosier Democrats, it is the oil for the machine. It becomes a place where mayors chat with legislators, labor guys talk with party chairmen, and the young staffers of governors and congressmen establish relationships and renew friendships. There are periods where frustrations are vented, accommodations are made, deals are struck and campaigns are plotted. Occasionally it's the spectacle of Evan Bayh and Joe Hogsett howling away to the tune of "*Rocky Mount Tennessee.*"

Conspiracy! Conspiracy!

Walking toward the Colonnade Ballroom early Saturday evening, just outside the doors stood 8th CD Chairman Tony Long and Dr. Paul Perry chatting. "Are you running?"

Perry politely deferred, saying the need of Southwestern Indiana Democrats was to line up behind one candidate, but yes, he was quite interested. Long agreed, then launched into an assessment of the district that John Gregg built. "It will be easier for us to run without Bloomington," Long explained. No longer will a conservative Democrat such as Perry have to appease the IU liberals.

A few feet away in the Taggart Room, there stood State Rep. Russ Stilwell amidst a silver buffet stuffed with hors d'oeuvres (but no champagne or mixed drinks, just wines and a keg of Coors Light). "The district is lining up behind Perry," was his assessment. His own career thoughts went along the line of, "I wouldn't have minded running. I just don't want to serve in Congress. Can you imagine that lifestyle?"

Press, booze, gossip, cigars

In the old days, the IDEA would

have been a mixture of the small town publishers and the Statehouse press corps. The small town fellers and women make up the official rolls of the organization by declaring their affiliation to attract the state-mandated public notices that must be printed in both Republican and Democratic papers. There was and might still be an RDEA (I have an antique photo of a 1920 meeting of the Republican editors outside the Claypool Hotel in Indianapolis), but they don't convene on any kind of regular basis. A generation or two ago, you'd find the Ed Ziegners, Jep Cadous, Pat Siddonses, Dick Robinsons, Harrison Ullmanns and Gordon Engleharts coming to French Lick, sniffing out stories, gossip, jokes, drinks, and cigars .

These days, it's just Howey and the small town fellers, which is fine by me. It just puts Howey and his readers that much more ahead of the curve. Mary Beth Schneider of the *Indianapolis Star* was in town on Friday, but she missed the veranda keggers. The rest of the Statehouse corps prefers press conferences and news releases from flacks, as opposed to catching a Tony Long and Paul Perry cutting a deal, or witnessing a Bob Pastrick entourage breeze in from East Chicago at 12:30 a.m.

What Indiana Republicans don't understand is the value of oiling the machine. Of allowing the press (or the interested press) to establish relationships with candidates and staff, of party chairs and union leaders who can provide sourcing, tips and context. Now you know why the *HPR Daily Wire* has been Scoop City.

When a reporter gets beyond Sen. Lugar, Mike McDaniel, Mark Souder, Steve Buyer, Mike Pence and Brian Bosma - the astute press friendly sections of the Grand Old Party - the vibes are similar to those felt by glider troops on the night of June 5, 1944. The coverage isn't particularly biased or unfair. But the context, the relationships aren't nearly as fully developed. Hoosier Republicans then wonder why they've been out of power for the past 16 years.

Go git yer a horse

There are younger candidates looking for advice. One was Darin Patrick Griesey, the Democratic nominee against U.S. Rep. Dan Burton in 2000. He approached Mike Marshall, a veteran of the Hiler-Ward battles in the old 3rd CD and offered up his plan on the veranda. "No, no, nooooo," Marshall told him. "Here's what you do. You go get a horse. And you name him Danny Boy. And you take Danny Boy out from Broad Ripple to Sheridan, to Noblesville to Elwood. And you tell the folks in the 6th that it's time to retire ol' Danny Boy."

Which is exactly what Griesey did last year, competing with Burton's parade fire truck with a horse he called Danny Boy in a 70 percent Republican district. "I got Channel 8 to do a story," Griesey said.

Pulse of a party

For astute reporters, French Lick is a chance to take the pulse of the Democratic Party, as folks ranging from FDR, to Birch Bayh, to Larry Conrad (who revived the event in the 1970s), to Lee Hamilton (who chastised the faithful in 1994 for abandoning Clinton), to Evan Bayh, Frank O'Bannon and Joe Andrew, (who further pumped up the event in 1995), have made their way through the ornate lobby. They are all accessible.

This year in Chairman Robin Winston's last hurrah, close to 400 people attended the Governor's Banquet on Saturday night. The resort was sold out. "That's astounding in a non-election year," Winston observed.

Certainly Indiana Democrats face daunting public policy challenges at the beginning of a new century. There was talk of rifts among the office holding hierarchy. Looming events could make or break the party in the next few months. But last weekend, the machine got its lube job, ready, perhaps, for an untold number of miles down the road.



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on a final version of the ratings system in October.

CENTER TO HONOR MIKE DOWNS: Friends and family of Michael Downs, one of Indiana's foremost political scholars, hope to memorialize the staunch Democrat with a research clearinghouse on the Fort Wayne campus where he worked. Downs, 61, died earlier this year. "The Mike Downs Center for Indiana Politics will serve as a resource for students, researchers and citizens," said Andrew Downs, Michael Downs' son and chief of staff for Fort Wayne Mayor Graham Richard (Fort Wayne Journal Gazette). The kick-off event will be Nov. 6 at the Scottish Rite Center in Fort Wayne.

MEDICAL COMMUNITY NERVOUS: Phico Insurance Co. of Pennsylvania has been ordered into rehabilitation by a court after its surplus fell dangerously low. Between 70 and 80 percent of Indiana's hospitals and 7 to 10 percent of the state's physicians carry their medical malpractice insurance through Phico (Patrick Morrison, Indianapolis Business Journal). Pennsylvania regulators sought the takeover after Phico's surplus dropped from \$119 million to \$6.8 million in the second quarter.

DEMOCRATS HAVE 10 PER-

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CENT EDGE IN CONGRESS: The Wall Street Journal reports in its "Washington Wire" column, "A DNC poll shows Bush's popularity up, but also finds voters favor Congress's Democrats by 10 points over Republicans."

BUSH APPROVAL AT 56 PERCENT: According to a nationwide Fox News/Opinion Dynamics Poll of 900 registered voters conducted Aug. 22-23 (+/-3%), George W. Bush's favorable rating is 56% and his unfavorable rating is 36%. The poll also indicates that 55% approve "of the job George W. Bush is doing as President" while 32% disapprove.

HAMM SEEKS REMATCH IN HD56 AGAINST BODIKER: Cambridge City businessman Richard L. Hamm is seeking a rematch in HD56 against State Rep. Dick Bodiker, D-Richmond (New Castle Courier-Times). Hamm is president and owner of Cambridge City Casket Co. and Paul Casket Co. Bodiker defeated Hamm 10,772 to 8,159 in 1996 and in the Republican tidal wave year of 1994, Hamm lost to Bodiker 7,142 to 7,087. The 56thHD is considered safer for Bodiker after the 2001 redistricting as House Democrats sought to give him a better district - including the addition of downtown New Castle - to keep

Indiana 2002, 2004 Racing Form

Trendline: Here's the hot rumor making the rounds these days - Lugar for Governor in 2004! The scenario goes like this: Democrats control the U.S. Senate in 2003, Lugar is denied the chair of the Foreign Relations Committee, thus he decides to come back home to Indiana, rescue the Grand Old Party and recapture the governorship where he would then be in a commanding position to make the hard decisions to reposition the state for the 21st Century. *Horse Race* gave this scenario scant credibility when we first heard it a few weeks ago.

When Sen. Jesse Helms announced his retirement, we ask Lugar spokesman Andy Fisher about the gubernatorial scenario, to which he initially said,

"The senator was quite clear during the 2000 campaign about his goals for the next six years." As for the Senate minority aspect, Fisher added, "That won't impact his thinking at all. His leadership has come in both majority and minority. Nunn-Lugar came not only when he was in the minority, but when he was not a ranking member of any relevant committee." While those answers weren't quite a Shermanesque "No," our read is this: Lugar deep in his heart and mind is a U.S. Senator and this story is a Republican pipe dream. Can you imagine going from sharing a stage with Vladimir Putin in Kiev to having to twist the arm of Reps. Dean Mock or Jerry Denbo on a state budget bill?

Governor 2004: Republican: David McIntosh, Sen. Murray Clark, Sen. Luke Kenley, Randall Tobias, Paul Helmke, Eric Miller, George Witwer. **Democrat:** Lt. Gov. Joe Kernan. **1996 Results:** O'Bannon (D) 1,075,342, Goldsmith (R) 997,505, Dillon (L) 35,261. **2000 Results:** O'Bannon (D) 1,230,345, McIntosh (R) 906,492, Horning (L) 38,686. **2004 Forecast:** Kernan was impressive last weekend at IDEA as he attempted to gear up the Democrats for the Tax Wars ahead. Supporters were sporting buttons reading "Just Joe in '04." Clark has begun an e-mail newsletter to potential supporters of a 2004 gubernatorial campaign and the news media. Clark sent an e-mail last week titled "Leading today to make a difference tomorrow." In it, Clark wrote, "I will continue to travel across the state, listening to the concerns and issues that our communities face. Through this email, I will bring forward these issues. I will be candid in my assessment, careful in my analysis and open to workable and reasonable solutions. Success takes preparation. And preparation takes thoughtfulness. We must begin today, so that we can be prepared to make a difference tomorrow -- when it counts." Several political allies of Clark have been urging him to begin talking about issues, filling what they see as a void as the state heads into a critical era of possible tax restructuring. Clark can be contacted at: jmurrayclark@yahoo.com. McIntosh is now teaching a class at Ball State University. **Status:** *Leans D.*

Secretary of State 2002: Republican: Mike Delph, Deputy Secretary of State Todd Rokita, Richard Mourdock, Luke Messer, Paul Helmke. **Democrat:** Bloomington Mayor John Fernandez. **Libertarian:** Paul Hager. **1994 Results:** Gilroy (R) 902,100, Jeffers (D) 542,539, Dillon (L) 32,483, Knight (A) 13,948. **1998 Results:** Gilroy 828,557, Little (D) 652,565, Dillon (L) 51,775. **2002 Forecast:** Fernandez took center stage at IDEA, recounting his anti-fascist grandfather "who was killed in the streets of Spain," an event that began his family's immigration to America. "The sweet irony is my grandfather dying for the right to vote and now his grandson is now running to upkeep the electoral process in the United States." Fernandez vowed to work to prevent the kind of TV ad campaigns the U.S. Chamber of Commerce ran against

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former Attorney General Karen Freeman-Wilson in 2000, calling it an "unlawful tactic." Delph wrote several op-ed articles, including one in the *South Bend Tribune* on felon voting rights. "Paying one's debt to society has been one of the driving principles in our criminal justice system. You do the crime, you do the time," Delph wrote. "Most Hoosiers have a sense of fairness. Once the debt is paid, civil liberties should be restored with a watchful eye toward future compliance with society and its laws. But in Indiana, fairness has been tipped out of balance by a law that allows felons who have not paid their full debt to society to vote. In Indiana, convicted felons on parole, probation, or in home detention, have the same right and privilege to vote as law-abiding Hoosiers." Delph concluded, "We should rethink our liberal position and at least consider supporting the more commonsensical view of Ford and Carter. If you do the crime, then you do the time." Delph's website is: mikedelph2002@aol.com. **Status:** *Tossup.*

Congressional District 2: Republican: Chris Chocola. **Democrat:** Jill Long Thompson, Mark Meissner, State Sen. William Alexa, Kathy Cekanski Farrand. **Geography:** South Bend, Michigan City, Mishawaka, Elkhart, Kokomo, Plymouth, Logansport; LaPorte, St. Joseph, Starke, Marshall, Pulaski, Fulton, Cass, Carroll and parts of Howard, Porter, Elkhart and White counties. **Media Market:** South Bend-Elkhart, Indianapolis, Lafayette, Chicago. **2000 Result:** Roemer (D) 107,076, Chocola (R) 98,367. **2002 Forecast:** Alexa and Jill Long Thompson both worked IDEA. Thompson has the clear support of 2nd CD Chair Butch Morgan. Alexa told *HPR* that he could raise between \$300,000 and \$600,000 prior to the primary. **Status:** *Leans JLT.*

Congressional District 6: Republican: U.S. Rep. Mike Pence. **Democrat:** Melina Ann Fox. **Geography:** Anderson, Muncie, Richmond; Wells, Adams, Blackford, Jay, Madison, Delaware, Randolph, Henry, Wayne, Rush, Fayette, Union, Decatur, Franklin, and parts of Bartholomew, Shelby, Johnson and Allen counties. **Media Market:** Indianapolis, Fort Wayne, Dayton, Cincinnati. **2000 results:** Pence (R) 106,023, Rock (D) 80,885, Frazier (I) 19,07. **2002 Forecast:** Fox met with U.S. Rep. Steny Hoyer, chair of the House Democratic Steering Committee, to make a case for future funding of her challenge to Pence. Her prospects for attaining that will depend on how much money she can raise during the rest of 2001. Another hurdle will be to convince the DCCC and EMILY's List to fund more than one Democratic race in Indiana. Currently Jill Long Thompson in the 2nd CD will likely be assisted by both. Pence has moved from Edinburgh to a rural home in Bartholomew County. "We will always have fond memories of our days in Edinburgh, but there's no place like home," said Pence, a Columbus native. **Status:** *Leans R.*

Congressional District 8: Republican: U.S. Rep. John Hostettler. **Democrat:** Paul Perry, Hal Johnston. **Geography:** Evansville, Terre Haute, Greencastle; Posey, Vanderburgh, Warrick, Gibson, Pike, Martin, Daviess, Knox, Sullivan, Greene, Owen, Clay, Vigo, Vermillion, Parke, Putnam, Warren and part of Fountain counties. **Media Market:** Evansville, Terre Haute, Indianapolis. Lafayette. **1994 results:** Hostettler (R) 93,529, McCloskey (D) 84,857. **1996 Results:** Hostettler (R) 109,582, Weinzapfel (D) 106,134, Hager (L) 3,799. **1998 Results:** Hostettler (R) 92,227, Riecken (D) 81,381, Hager (L) 3,395. **2000 Results:** Hostettler 116,860, Perry (D) 100,461. **2002 Forecast:** Perry told *HPR* he's inclined to make a second challenge to U.S. Rep. John Hostettler, but says the party should get behind one candidate. Perry said he'll wait and see if any other credible candidates emerge before making a final decision, a stance backed by 8th CD Democratic Chairman Tony Long. Perry promised a final decision "soon" and promised that a 2002 campaign would feature an array of issues. One of the knocks against Perry's 2002 effort was that he was a one-issue candidate. Perry was the only candidate to attend the Indiana Democratic Editorial Association convention in French Lick last weekend. State Rep. Russ Stilwell, D-Boonville, told *HPR* that the party appeared to be lining up behind Perry. Other names *HPR* has been hearing (but not seeing) include the Evansville son of former U.S. Sen. Vance Hartke, Posey County Prosecutor Trent van Hassen, and Vanderburgh County surveyor Bob Brenner, none of whom showed up at IDEA **Status:** *Tossup.*

- Brian A. Howey ❖

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him from retiring.

MEEKS TELLS MAYORS BIF SHOULD HAVE MORE OVERSIGHT: The state's recently embattled Build Indiana Fund should stay the same but have more oversight, state Sen. Charles "Bud" Meeks told northern Indiana mayors in New Haven on Thursday. The State Board of Accounts should audit the grant program "because we're talking about a lot of money," said Meeks, R-Leo-Cedarville (Carey Checca, Fort Wayne Journal Gazette). Some of the grant program's critics have said the money should only pay for major economic development, road and bridge projects, Meeks said. If that were the case, all Build Indiana dollars would pay for extending Interstate 69 from Indianapolis and Evansville or for building projects in the state capital, Meeks said. Meeks said he'll fight that move. "I will guarantee you that the money won't go to Indy, to build I-69 or . . . for a new Hoosier Dome," Meeks said.

O'BANNON DEDICATES BRANIGIN BRIDGE: Gov. Frank O'Bannon formally dedicated the newest bridge spanning the Wabash River for the state's 42nd governor. Gov. O'Bannon dedicated the Gov. Roger D. Branigin Bridge on the new U.S. 231 along West

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Lafayette's south side (Joe Thomas, Lafayette Journal and Courier). "It's a fine honor for Dad," said Branigin's son, Doug Branigin, a prominent local attorney. But he knows his father, a longtime Lafayette resident who died in 1975, would have kept the honor in perspective. "He would have made some wise-crack," Branigin said. O'Bannon honored that casual, humorous attitude by quoting a story that Branigin, a Harvard-educated lawyer, told on the campaign trail. "People ask if I am for the common man," Branigin would say. "I'm a Hoosier, a Baptist and a Democrat and, by God, you can't get much commoner than that." Branigin said his father's low-key approach included salty language and would not have looked good on television when he was elected in 1964. "Dad's style did not lend itself to TV. He was not a good guy on sound bites," Branigin said.

JUDGE APPROVES INJUNCTION AGAINST INDIANA MEDICAID CUTS: A Marion County judge blocked -- at least for now -- an attempt by Medicaid officials to immediately cut what pharmacists are paid for prescription drugs going to poor Hoosiers (Lesley Stedman, Louisville Courier-Journal). ❖

COLUMNISTS ON INDIANA

Sylvia Smith, Fort Wayne Journal Gazette - If the Democrats are still in control of the Senate in 2004, Lugar merely will be the most senior Republican on the committee. But if Republicans regain the majority in the 2002 elections or the 2004 races, light the sparklers. It'll once again be Chairman Lugar. Lugar has certainly made his mark in the area he relishes without running the committee. In fact, he was a shadow secretary of state during the Gulf War, helped invent the nuclear disarmament program for the former Soviet republics, and led the debate on the expansion of NATO. But the chairman of the committee can do - and prevent - so much. Helms, for instance, got his nickname of "Senator No" not because he has been active in promoting democracy and U.S. interest. He earned that moniker by opposing sanctions against South Africa for its apartheid policies (which put him in a bitter clash with Lugar), crusading against the United Nations, leading the push for trade restrictions with Cuba, fighting the SALT II arms reduction treaty and opposing the Panama Canal treaty. All that will be history after Helms' term expires. It won't, however, guarantee Lugar the chairmanship he wants. Voters in New Hampshire, Iowa, Tennessee and the other states that will have Senate elections in 2002 and 2004 will resolve the matter. Just a few seats have to shift from the D column to the R, and Lugar will get the gavel back. ❖

Leo Morris, Fort Wayne News-Sentinel - Despite their dubious effectiveness as an economic tool, there's nothing wrong philosophically either with giving taxpayers a rebate or with cutting down the budget surplus. It is our money, after all, and when there's a big surplus, it means the government is taking too much of it. And how responsible is it to brag

about a huge surplus when there is also a monstrous national debt? That's like an individual American feeling good about his \$5,000 nest egg while carrying \$100,000 on his credit cards. The most sensible economic action by government remains the kind of tax cut pushed through by Presidents Kennedy and Reagan: a reduction in the marginal rates. Every time it's done, people stop trying to find tax loopholes and become more productive. That generates more income, and government coffers fill up. And what is the net effect? Less government involvement in the economy. ❖

Stem cells,
Taxes,
Bush jokes,
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