



# Bauer budget bust: No he can't

### *Bauer loses half Dem caucus on budget; jobs trust fund OK'd*

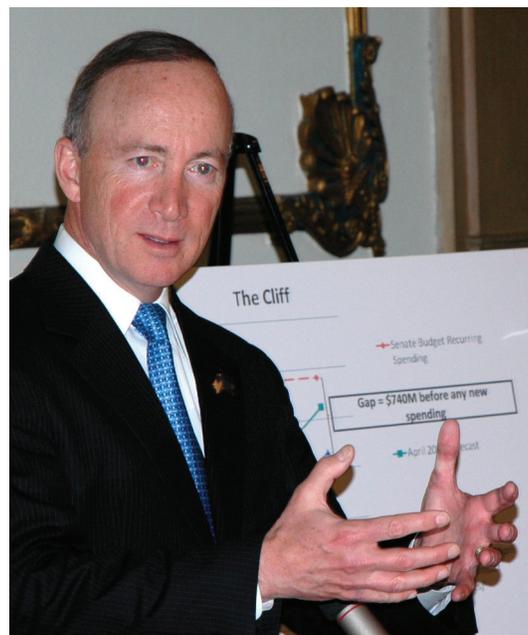
By **BRIAN A. HOWEY**

INDIANAPOLIS - One year ago, Indiana was Ground Zero for change in America. Hillary Clinton, former President Bill Clinton, Barack and Michelle Obama crisscrossed the state, packing high school basketball gyms and drawing huge crowds at outdoor rallies.

Simultaneously, Gov. Mitch Daniels had embarked on re-election, ultimately facing Democrat Jill Long Thompson, the first female to win a gubernatorial nomination. The mantra of Daniels and Obama - despite their ideological and party differences - was the same: change.

"Change has come to America," Obama would say from Grant Park on Election Night a few hours before Indiana swung into the blue column for the first time in 44 years. "It drew strength from the young people who rejected the myth of their generation's apathy," he said.

During his victory speech, Daniels was less exuberant about his 18 percent landslide victory as he seemed to be determined about the task at hand. "Change just won



and won big in Indiana," he said. "This is less an endorsement than an instruction. This is less a victory than an assignment. And what the people of Indiana have said is they want us to press forward with change and improvement and reform."

Daniels added that he wanted people to "be a little braver, think a little bigger, promote something bolder."

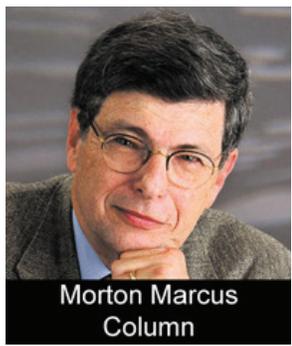
The Daniels and Obama victories came along with voter referendums that rejected 31 of 44 township assessors hoping to keep their jobs.

**See Page 3**

# Wages 16% behind

By **MORTON J. MARCUS**

INDIANAPOLIS - Last week the U.S. Bureau of Economic Analysis released its estimates of county personal income and all the detail comprising those data. Just sixteen months after the close of 2007 we have remarkably specific data on the economic performance of each county in the nation.



Morton Marcus  
Column

These data are important because they provide a consistent view over a long period of time. It's easy to focus on the immediate problems of our economy. However, we do ourselves a disservice when we fail



"To help build a new foundation for the 21st Century, we need to reform our government so that it is more efficient, more transparent and more creative."

- **PRESIDENT BARACK OBAMA**,  
*during his weekly address Saturday*



## HOWEY POLITICS INDIANA

is a nonpartisan news-letter based in Indianapolis and published by NewsLink Inc. It was founded in 1994 in Fort Wayne.

**Brian A. Howey, publisher**  
**Mark Schoeff Jr., Washington**  
**Jack E. Howey, Editor**  
**Beverly Phillips, Associate**  
**Editor**

### Subscriptions:

\$350 annually HPI via e-mail;  
\$550 annually HPI & HPI Daily  
Wire.

Call **317-254-0535**.

### HOWEY POLITICS INDIANA

PO Box 40265  
Indianapolis, IN 46240-0265.

### Contact Us

**www.howeypolitics.com**

bhowey2@gmail.com

Main Office: 317-202-0210.

Howey's Mobile: 317-506-0883.

Indianapolis Fax: 317-254-0535.

Washington: 202-256-5822.

Business Office: 317-627-6746.

©2009, **HOWEY POLITICS**

**INDIANA**. All rights reserved.

Photocopying, Internet forwarding, faxing or reproducing in any form, in whole or part, is a violation of federal law without permission from the publisher.

to understand that today's problems are part of long-term issues.

Among the data elements available for each state and county are average wages per job. This is not an all-inclusive number, but it is a fine estimate of the rewards realized by management and labor. Excluded are the earnings of business owners (proprietors) as well as the contributions that employers make to private pension and insurance plans and to government social insurance programs.

**The latest data** show that the relative decline of Indiana's economy continues. In 1997, Indiana's average wage per job ranked 26th in the nation among the fifty states. Ten years later, in 2007, Indiana ranked 32nd. Where the average job in the U.S. paid \$100 in 1997, an Indiana job paid \$91; the Hoosier job slipped to \$84 by 2007 compared to a national \$100 average.

Average wages in Indiana grew by 3.2% per year between '97 and '07, 49th in a nation that saw an average annual increase (not adjusted for inflation) of 3.9%. Only Michigan (2.9%) had a worse decade. In eight of these ten years, Indiana continued to grow less rapidly than the nation. Whatever we are doing to reverse the trend does not seem to be working.

While the state trailed the nation in growth of average wages, ten Indiana counties exceeded the U.S. rate of improvement. First among these was Gibson County (Princeton) where Toyota opened its assembly plant.

Gibson advanced from 63rd place in average wages in the state to 5th in the span of the decade with an average growth rate of 7.1%.

**Switzerland County** moved from 86th to 53rd place with a 5.0% growth rate, probably as a result of a casino opening. Martin County, home to Crane technology firms, had the third fastest growth rate at 4.4% and moved into first place among Indiana counties with an average wage per job

of \$54,476. Following closely behind in growth were Owen, Boone and Greene counties. Filling out the top ten were Perry, Jennings, Union and Daviess, each near 4.0%.

The five slowest growing counties grew by less than 2.0% per year; Fayette, Madison, Delaware, Henry, Grant had each been a major manufacturing center.

**Many counties** saw little if any change in their rankings within the state. Marion County had the 4th highest average wage in both 1997 and 2007 with the 18th fastest growth rate (3.5%). Posey County (Mt. Vernon) retained third place and Huntington 59th. Howard (Kokomo) fell from first to second place and Brown (Nashville) stayed in last place. Bartholomew County (Columbus) dropped from 6th to 8th place as Allen County (Fort Wayne) moved from 12th to 14th and Lake (Gary-Hammond) slipped from 10th to only 11th.

Improvements could be found as St. Joseph (So. Bend-Mishawaka) advanced from 24th to 20th place. Next door Elkhart County (Elkhart-Goshen) moved into 15th place from 17th; Johnson (Franklin-Greenwood) had a nine place jump from 65th to 56th; neighboring Shelby County eased into 25th place from 26th ten years earlier.

**The spread** is growing between the county with the highest average wages and the one with the lowest.

In 1997, Howard County enjoyed average wages of \$35,990 or 117% greater than Brown County's low \$16,561. In 2007, Martin County reigned in the top spot at \$54,476, 143% over Brown County's state low at \$22,398. Are these disparities something the state should consider in its economic development programs?



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



## Special Session, from page 1

Through all of this - with a record 2.4 million Hoosiers participating in an election; with some 500,000 people attending 150 presidential rallies by the Clintons, Obamas, McCains and Palins - one man didn't get the message.

His name is B. Patrick Bauer, speaker of the Indiana House. Six months after Hoosiers demanded and voted for change, Bauer stood and declared last January that the Indiana General Assembly had time for only two things: passing a budget and fixing the Unemployment Insurance fund.

Not only did Bauer thumb his nose at the governor, a former governor and the Chief Justice over the Kernan-Shepard reforms - dispatching them with squirting flowers and exploding cigars through an amateur freshman chairman - he couldn't even manage the only two issues left on the table.

While Bauer was able to get the jobless fund passed out of the House by a 52-47 vote margin, the biennial budget turned out to be a disaster: a 71-27 route that saw 24 Democrats (Rep. Teri Austin had been excused before the vote) abandon the bill.

State Rep. Scott Pelath accused Gov. Daniels of "negotiating in bad faith." While no one close to Daniels was suggesting payback, it was ironic that Democrats would be complaining after they refused to bring the property tax caps up for a vote and then killed all the Kernan-Shepard reforms in one of the most clownish committee hearings in memory.

House Majority Leader Russ Stilwell didn't mention Kernan-Shepard by name, but called the House Republicans "the party of no" and charged, "The only time the governor was engaged was pushing local government reform that didn't have any support." He accused Daniels of failing to "go up to Elkhart" (he did in March) or having a jobs plan (Daniels liked to remind Democrats of Major Moves and the state's rapid use of federal stimulus funds).

Pelath and Bauer said that Daniels had created a "moving target" on the reserves that the governor insisted needed to be at the \$1.4 billion level. Numerous legislators and old Statehouse hands found it ironic that Daniels would stage a fight over \$100 million or \$200 million, which one described as a "rounding error."

House Minority Leader Brian Bosma told the House that rapidly eroding revenue numbers made the demand

relevant. "I can tell you this year, the fiscal sheet says we're going to have a \$1.35 billion (surplus), and \$200 million of that figure evaporated this month. There are 26 months to go in that surplus statement," Bosma said. "This is a recipe for a big tax increase."

Daniels responded to the House budget rejection by saying, "It is far better that the legislature try again than to have an irresponsible budget that I would have been compelled to veto. "It is critical that Indiana avoid the fiscal disaster and massive tax increases that would result from dramatically increasing spending while revenues are falling."

Over the past week, several observers had ac-

knowledged the showdown between Bauer and Daniels, wondering who had the most cloud. Indianapolis Star columnist Matt Tully had described the Daniels agenda as "in tatters."

In an HPI Interview published on March 27, Daniels acknowledged, "I still see him (Speaker Bauer) in a very, very dominant position. There are some brave people who have been courageous enough to speak a word or two, but I have yet to see anybody vote. Once the law has been laid down, and there are many occasions on which we know there have been many Democrats who favor a given change or a given reform, then it comes down to where people are lined up like good soldiers every time. By

the way, that's the mark of effectiveness in a leader. I may disagree with the purpose, but you sort of have to admire the iron discipline that doesn't exist on the Republican side, I can tell you that."

The defection of almost half his caucus on the budget has to be an embarrassment to Bauer. In the March HPI Interview, Daniels continued, "One has to admire the iron hand and the discipline that he has been able to impose even if one disagrees with the uses and purposes of the obstruction. In the past, I would say that I strongly disagree, but at least I understood the political calculation. This year, I'm having trouble understanding the political idea. I think they are way on the wrong side of the public on blowing the reserves and spending all our money. I'm out there all the time and I haven't had one citizen come to me and say, 'Please spend that money. That's the best thing we can do.'" I think they are way on the wrong side of public opinion on local government reform. Clearly they are on the wrong side of taking away the referendum right and blocking the caps. So these decisions probably are



House Majority Leader Russ Stilwell making a case for the budget. (HPI Photo)



made for political reasons this year unlike previous years, but I'm not sure I see the sagacity that is always associated with what they do."

## **Bauer reacts**

Speaker Bauer sent out quotes under a press release titled "GOP Circular Firing Squad Drives Legislature into Special Session," which ignored the huge Democratic defections from a majority caucus that could have delivered the budget themselves.

"Today state lawmakers had the chance to complete our work on time and keep from adding to the burden facing Indiana taxpayers by going into a costly special session," Bauer began. "After many hours of negotiation, Indiana House Democrats agreed with Gov. Mitch Daniels and Senate Republicans to endorse a biennial state budget that placed a higher priority on building and preserving a state surplus than ensuring that schools had the state support needed to help our children get the education they deserve. We chose this option because we were told that the House Democratic budget proposal took away too much of the governor's cherished surplus, even though the House Democratic budget would have provided additional state funding to create jobs and help our schools avoid cuts in programs, personnel and services."

Bauer said that he wanted to "make sure that the House did get a chance to vote on a budget proposal," which was something he denied on the caps and Kernan-Shepard. "Let me be clear," Bauer continued, "This budget was crafted by the Senate Republicans and endorsed at one time by the Republican governor of Indiana. However, this Republican budget could not get a single vote from Indiana House Republicans. As best as I can tell, there was no effort from the governor to convince them otherwise. He was missing in action, just as he was most of this session on issues like finding an answer for Indiana's bankrupt unemployment insurance trust fund. Now we go to a special session, caused by Statehouse Republicans who cannot even agree amongst themselves."

Bauer quickly set some of his own parameters: "In that special session, House Democrats will oppose any budget that does not protect our schools. House Democrats will oppose any budget that fails to provide some kind of job creation program that helps nearly 340,000 Hoosiers get back to work as soon as possible."

Rep. Earl Harris, D-East Chicago, voted against the package because school corporations in his district fared badly under the plan (Post-Tribune). "If we're going to move forward in this state, it will need to be in a bipartisan fashion inclusive of everyone, and I didn't see that here," Harris said.

## **Daniels on defense**

Some had suggested that unlike the previous four sessions, this time Daniels was playing defense, and was struggling.

Now the governor finds himself in his first special session and many observers believe a governor - despite the constitutionally weak office - is in a much more commanding position if for no other reason he can dictate parameters and terms and wear down out-state legislators eager to be back home during the summer.

During the last two special sessions in 2002 and 1997, Gov. Frank O'Bannon was able to win victories on tax reforms (2002) and the construction of Conseco Fieldhouse and historic workers compensation reform (1997) after failing to achieve consensus on those issues during the regular session.

No one in the Daniels sphere is expressing pay-back, but there clearly is an attitude that the administration will work toward Kernan-Shepard reforms through other means than the legislature. This could come as more cities and towns find themselves before the Distressed Units Appeals Board after this fall's budgeting and decisions made by the Department of Local Government Finance as the caps pinch local budgets (see the story on Muncie in the Ticker on Page 15)

There are dangers off the legislative front for the governor. He was pressing for a property tax caps vote prior to an inevitable lawsuit challenging the 1-2-3 caps which are clearly at odds with the 1851 Indiana Constitution.

There are dangers for Bauer, too. He has exposed his caucus by rejecting the caps when a recent Public Opinion Strategies Poll revealed broad support (in the 70th and 80th percentiles) across nearly every political and demographic group. The way he and State Rep. John Bartlett dispatched the Kernan-Shepard reforms brought some pushback from House Democrats like Steve Stemler, Mary Ann Sullivan, Ed DeLaney and John Barnes. Clearly the Kernan-Shepard and caps will become campaign issues in 2010 when the stakes for House control will be enormous.

And in wrapping up the budget coverage, there was this gem from ranking Republican Ways & Means Chairman Jeff Espich, who responded to Pelath's claim of bad faith negotiations: "I want to talk about the governor," Espich said. "Give me a break. This governor may be hard to love, but he sure doesn't want unemployed Hoosiers, Rep. Pelath. He doesn't want tax increases. He's trying to save money."

## **Kenley reaction**

Senate Appropriations Chairman Luke Kenley told the Associated Press after the House rejected his budgetL



"I think it only gets gets worse. It's hard to see how it will get better but maybe it will work."

## Unemployment Trust Fund

The Unemployment Insurance fund issue looked as if a deal had been brokered on Tuesday. But when House Labor Committee Chairman David L. Niezgodski put out a press release declaring victory, Senate Republicans hit the roof. The concessions he said Republicans had made weren't the case. By Thursday morning, House Democrats were in an apology mode but by then, there was resistance with Senate and House Republicans. Not only would there be no cuts in benefits - as Democrats had promised workers at a 5,000-man labor rally on Monday - taxes on industry were ratcheted up from \$328 million to \$400 million.

By late Wednesday afternoon, business interests began to dig in. But quickly Senate President Pro Tempore David Long and Senate Appropriations Chairman Luke Kenley signed off on both the UI and budget, passing the Senate 46-3 and the House 52-47.

State Rep. Russ Stilwell said on the House floor of HB1379 and the Unemployment Insurance fund, "This caucus will not be painted as anti-business," adding that Indiana's rates will still be \$150 less than neighboring states.

State Rep. Matt Bell said it ultimately would mean a \$650 million tax increases on businesses. "We are rearranging the deck chairs on the Titanic," he said.

State Rep. Dan Leonard, R-Huntington, who was discharged as a conferee, said that last summer House Republicans, Democrats, the Indiana Chamber and Manufacturers all agreed there needed to be a "three-legged stool" for a solution: benefits, eligibility and premiums.

Leonard said that once the session began, the debate was stifled and essentially it came down to an agreement between House Democrats and Senate Republicans. He put the tax hike on businesses at \$685 million over two years. "It will do nothing but drive unemployment up and will cause more Hoosiers to be unemployed," Leonard said just prior to the House vote.

Earlier in the evening, news reports suggested that Speaker B. Patrick Bauer needed 20 Republican votes for passage as some Democrats feared it would be used against them in the 2010 elections. But it turned out to be essentially a party line vote.

Senate Republicans hailed the plan. Tax and Fiscal Policy Chair Brandt Hershman and Pensions and Labor Chair Dennis Kruse, Senate Republicans' chief negotia-

tors during the conference committee process, said the historic plan comes after weeks of tough, bipartisan talks. "Replenishing our unemployment fund will require contributions from all of Indiana's employers," Hershman said. "But just as high-risk drivers pay higher premiums for their auto insurance than those motorists who rarely have accidents, businesses that are more likely to lay off workers should shoulder more of the burden and the 40,000 small businesses who never tap into the fund should be held harmless from rate increases."

Employers now pay into the system premiums ranging from 1.1 to 5.6 percent based on Indiana's taxable wage base or the first \$7,000 of an employee's annual wage. Under the compromise plan, several changes in premiums would help plug the fund's gap: What is known as the taxable wage base would be increased from \$7,000 to \$9,500 and the minimum and maximum premium rates would range from .70 to 9.5 percent for calendar year 2010, with annual minimum employer contributions per employee ranging from \$66.50 to \$902.50.

After that year, businesses would begin paying premiums based on a new rate schedule ranging from .75 to 10.2 percent, with annual minimum and maximum employer contributions per employee ranging from \$71.25 for businesses not tapping the fund, while the maximum contribution would increase to \$969 for those who use the fund the most - still below the Midwest average maximum contribution of \$1041; and employers would be able to make contributions over five years beginning in 2010 or 2011 to buy down to a lower range of premiums - similar to paying points on a mortgage - generating up to an additional \$75 to \$100 million in extra revenues to jump-start the fund's balance.

A Senate Republican press release said that Gov. Mitch Daniels was expected to sign the bill, though there was no official word from his office.

## CIB

Legislation that would have helped bailout the Capital Improvement Board died (Abdul, Indiana Barrister). House-Senate Conference Chair Phil GiaQuinta, D-Fort Wayne, said the legislation could not get the four conferee signatures. The latest version would have raised hotel, ticket and car rental taxes as well as added the new Marriott hotel to the downtown sports district. There was little support for tax increases at the local level. And there was almost no support from outstate lawmakers to give up any state tax revenue. This now leaves local officials looking for a way to fill a \$47 million operational deficit with no outside support. ❖





## Chrysler's D-Day

By **BRIAN A. HOWEY**

INDIANAPOLIS - Today is the day Kokomo will learn if it has dodged the proverbial bullet: Will Chrysler LLC survive or will 5,000 jobs face liquidation?

While Bloomberg News, CNN and MSNBC were reporting at HPI's deadline this morning that Chrysler would end up in Chapter 11 bankruptcy, President Obama didn't mention it during his press conference Wednesday night. The Associated Press was reporting this morning that talks between Chrysler LLC's lenders and the Treasury Department to reduce the automaker's \$6.9 billion in secured debt and keep it out of bankruptcy protection have disintegrated. Chrysler's fate was in the hands of about 40 hedge funds that hold about 30 percent of its debt. Although four banks holding 70 percent of the debt had agreed to erase it for \$2 billion, the hedge funds were holding out for a better deal.

Obama is expected to make the bankruptcy announcement at noon today, MSNBC is reporting. "Chrysler will be saved," reported Chuck Todd. "It will not be broken up."

Obama did say at the press conference, "Let me speak to Chrysler first because the clock is ticking on Chrysler coming up with a plan. I am actually very hopeful, more hopeful than I was 30 days ago, that we can see a resolution that maintains a viable Chrysler auto company out there. What we've seen is the unions have made enormous sacrifices on top of sacrifices that they had previously made. You've now seen the major debt holders come up with a set of potential concessions that they can live with."

Obama continued, "All of that promises the possibility that you can get a Fiat-Chrysler merger and that you have an ongoing concern. The details have not yet been finalized, so I don't know to jump the gun. But I am feeling more optimistic than I was about the possibilities of that getting done."

Bloomberg was reporting that Fiat management would take over Chrysler, with CEO Robert Nardelli going the route of General Motors former CEO Rick Wagoner about a month ago.

What happens to Kokomo's three Chrysler transmission plants remains to be seen, particularly on the eve of a switch to hybrid and electric vehicles.

Better news is that Chrysler retirees will likely still be able to collect pensions and health benefits.

"With respect to GM, we're going to have another 30 days," Obama said. "They're still in the process of presenting us with their plans. But I've always said that GM has a lot of good product there and if they can get through these difficult times, and engage in some of the very difficult choices that they've already made, that they can

emerge a strong, competitive, viable company."

**Obama continued**, "And that's my goal in this whole process. I would love to get the U.S. government out of the auto business as quickly as possible. We have a circumstance in which a bad recession compounded some great weaknesses already in the auto industry. And it was my obligation and continues to be my obligation to make sure that any taxpayer dollars that are in place to support the auto industry are aimed not at short-term fixes that continue these companies as wards of the state, but rather institutes the kind of restructuring that allows them to be strongly competitive in the future. I think we're moving in that direction. prudent and appropriate thing for Chrysler to do to engage in the filings that they -- that received some notice a while back because they had to prepare for possible contingencies."

Over the past week, Kokomo officials had been in touch with U.S. Rep. Joe Donnelly, Fiat officials and Edward Montgomery, the White House liaison to local auto communities.

**On Tuesday, Donnelly** was optimistic about Chrysler, telling the Kokomo Tribune Tuesday that all key elements are in place to allow the automaker to avoid bankruptcy. "There were three key ingredients," Donnelly said of Chrysler's push to meet today's deadline set by the Obama administration to secure additional federal loans. "There was Fiat, the union and the banks," he said. "All three are now in place."

Last Friday, Gov. Mitch Daniels warned of potential bad times if Chrysler and GM were to go bankrupt. "The auto companies failing to get out of their difficulties only means that it could get worse. Perhaps significantly," Daniels said. "We are probably headed for that sort of an adjustment and that is only another reason to be extremely cautious about government spending here in Indiana." Asked if an automotive and steel collapse could put Indiana in a position similar to 1982, Daniels responded, "I wasn't here in 82. Things have already changed. That's really my message this morning. And we can see they have. How I wish it were different."

Still hanging in the balance is Delphi Corp., which has been in bankruptcy since 2005. It employs more than 3,000 people in Kokomo. Earlier this week, the U.S. Treasury blocked moves by GM to increase payments to its former parts subsidiary Delphi Corp (Detroit Free Press).

**GM warned in its filing** that if Delphi can't emerge from bankruptcy in the near-term, "it may be forced to sell all of its assets." If that happens, GM says it would have to foot the bill to find new suppliers and buy back Delphi's plants to ensure the parts supply is not disrupted (Detroit Free Press). "If they're going to run out of money, that could halt production, that could bring General Motors to its knees," said Birmingham-based restructuring expert Van Conway. ❖



## Obama's 100th day? Ask me in June 2010

By **BRIAN A. HOWEY**

INDIANAPOLIS - President Obama's first 100 days is an odometer media event. It is a cursory glance when the true substance of this administration cannot be gauged for months, if not years.

June of 2010 will be the time I will take the first substantive stock of where the Obama presidency is and where it is likely to go, both in a policy vein and politically. At that point, we'll have a much better grip on Obama's bank bailout. We'll know whether the stimulus package has done what it needs to do, or whether it will simply have prolonged an economic

meltdown. We'll know whether the Iraq insurgency has made a comeback or whether the U.S. is poised for an orderly withdrawal of combat forces there. On the 100th day, three car bombs exploded in Sadr City, killing hundreds. We will have a much better sense of how bad (or good) things are in Afghanistan and Pakistan.

By June of '10 we'll be able to count the Obama legislative successes that began with the stimulus passage in February, whether his "blueprint budget" for the next decade is realistic, whether the deficits are ballooning to the point that Sen. Evan Bayh will vote against the Obama administration further, or whether there's a restoration of fiscal sanity. By then we'll be getting the early returns on the Obama health care reforms and his energy revolution. We'll probably know whether General Motors and Chrysler are in any shape to survive as the new generation of hybrids begin showing up on our streets. We'll know whether the U.S. really intends to own GM.

Right now these are all question marks. Huge question marks.

As a political analyst, it's been hard to gauge all of these things because of the depth of the crisis across the board we face and the gargantuan numbers needed for a response. I've gone from writing about "millions" and "billions" to "trillions." The first trillion dollar deficits began under President George W. Bush and have expanded under Obama. Speaking on MSNBC's Morning Joe on the 100th day, Bayh explained that he "tends to vote with my party" but will not vote for huge deficits. Told the current deficit represents 13 percent of GDP, Bayh said that even deficits at 3 percent GDP are "a real problem."

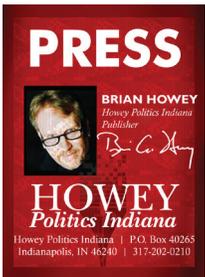
Bayh added, "It's a breathtaking number. Even the Chinese are talking about putting resources in other than U.S. dollar assets." Bayh said that President Obama "is not oblivious" and added, "Once health care is done, we've got to deal with this." He said that ultimately the bond market and foreign lenders will weigh in if the huge deficits continue. Of the bond markets, Bayh said that "interest rates will go up" resulting in stagflation and foreign lenders bailing

out. Bayh explained, "We'll look for some restraint on domestic spending. We're willing to support the president, but we'll look for executive leadership."

When the first Obama budget came out, the numbers were so utterly huge that there was no way to write a knowledgeable defense. We are in new territory with no applicable scale. And yet I felt I'm suspicious of Republicans like U.S. Rep. Mike Pence, who has denounced almost all of the Obama initiatives. How could anyone possibly know?

What I do know is how

disastrous the last Bush presidency has been, from Iraq and Afghanistan, to the fallout from his "ownership society" that produced a housing bubble and subsequently the subprime mortgage fiasco. The Reagan era financial deregulations were steadily perverted in the ensuing Bush/Clinton



President Obama at Wednesday night's press conference. (White House Photo)



dynasty. Lighting that fuse on those sticks of dynamite was the Bush-Cheney Oil presidency, which didn't even try to build a coherent energy strategy at a time when dozens of university researchers, industry analysts, and the CIA knew that it was only a matter of time before we saw peak oil. Fiscal conservatism? I saw none of that from Bush and Capitol Hill Republicans. Entitlements? The Bush presidency expanded those to the greatest extent since LBJ's Great Society. GOP credibility has washed down this gutter.

Here in Indiana, just the energy malfeasance has cost the state dearly. The auto-based Northern Indiana economy has been pulverized, even if GM and Chrysler survive in some diminished state. This happened prior to the age of Obama.

In a conversation I had with U.S. Rep. Mark Souder last week, there was palpable concern about how the Obama initiatives will impact the state. Will down-sized GM and Chrysler end the era of big pickup trucks and SUVs rolling off lines in Fort Wayne, Marion and Indianapolis? Will a shift to hybrids silence the three Kokomo transmission plants? Will changes in federal education funding drain thousands of jobs from Sallie Mae and USA Funds? Will the elimination of some military systems kill Allison Transmission, Rolls-Royce and AM General? Will health care reforms endanger Eli Lilly, ZimmerUSA, Depuy, and Biomet? Will the carbon credit reforms hit coal-produced economies like Indiana's hard, leaving consumers with huge energy bills?

**These are the same consumers** currently being hit hard because of Indiana's malfeasance on combined sewer overflows 30 and 40 years ago. If we don't shake the rut (sometimes mistaken for the horizon), won't our children and grandchildren be condemned to repeat these dilemmas?

If all of these scenarios come true, Indiana stands to be a post-industrial wasteland.

**I pressed Rep. Mark Souder:** he and Pence talk about how energy prices will escalate in the coming carbon credit era, but haven't they already under the status quo? Didn't we just have a summer of \$4.20 gasoline that set in motion the RV, auto and steel collapses?

Doesn't Indiana have immense assets: workforce, central location, advanced manufacturing potential, great universities, and perhaps most important, water? Can't the water assets be used to offset the carbon reforms?

These are all issues, questions and dilemmas that HPI will spend this coming summer and fall exploring, for there is little doubt that we are entering a new era.

What do I know I like about President Obama?

First, there is a plan. Republicans have no credible counter. In America, there's a tendency to



President Obama as a candidate at an April 2008 press conference in Indianapolis. (HPI Photo by Brian A. Howey)

give the new guy a chance to succeed.

**As a member of the press,** I like his accessibility, which has improved over his campaign. I like that he made his last campaign stop in Indianapolis and presidential stop in Elkhart, telling folks there that he hadn't forgotten.

I like that he will try and normalize relations with Cuba and that he has extended a hand to the Americas, Iran, and the people of Islam. If we don't talk to enemies, we will always be enemies. I appreciate that he takes the Nunn-Lugar Act seriously and will put teeth back into the program. I like that he has ended torture, which, incidentally, the Reagan administration prosecuted Arizona cops for waterboarding a generation ago.

I don't know how Chrysler and GM will turn out, but Obama didn't just fork over more tax funds. There has



been an arduous process that will demand more out of all Hoosiers in that field.

I like that Obama will expend political capital on health care reform, because the current system is simply unacceptable.

I like that Obama is a reformer. Last Saturday he said, "To help build a new foundation for the 21st century, we need to reform our government so that it is more efficient, more transparent, and more creative."

**Yes, I do worry about the debt** and deficits. But I'm smart enough to know that sometimes you have to spend and invest in things like energy and health care in order to get a new generation of security and savings.

I am extremely disappointed that Republicans have, thus far, responded in a virtual party line fashion (just as I am disappointed in Indiana House and Senate Democrats for doing the same in Indianapolis). When a country and state find themselves in crisis, I would rather see the politics set aside for a year or so to get the house in order.

I find my Republican friends looking at the world through the old prism. They don't seem to understand that the new paradigm has come and did so because of their own utter malfeasance and neglect over the past decade.

President Obama got to spend his 99th day in office by welcoming U.S. Sen. Arlen Specter into the Democratic Senate fold, potentially giving him a filibuster-proof upper house just as he is getting his budget together and is preparing to forge dramatic health care and energy legislative into a stunning portfolio of change.

Gov. Mitch Daniels spent his 1,569th day in office watching House Speaker B. Patrick Bauer become a one-man wrecking crew on his progressive agenda of change. It's ironic that both Obama and Daniels have, in the most recent relevant polls, 69 percent approval ratings. While Obama and Daniels are squarely at odds over spending issues, there are some fascinating similarities when it comes to energy, infrastructure (i.e. stimulus/Major Moves) and education (Supt. Tony Bennett and Sec. Arne Duncan are talking off the same script when it comes to issues like choice and time spent in classrooms).

**But the so-called "checks and balances"** that a party largely out of power always points to as a rationale for existence is playing out in very different ways. Obama is reshaping American policy with a Democratic government and things are happening. Daniels has been thwarted by the Indiana House.

By June of 2010, we'll know much more on all fronts. ❖

## Why Obama should enjoy his lofty polls now

By **DICK MORRIS**  
The Hill

WASHINGTON - When the Obama administration crashes and burns, with approval ratings that fall through the floor, political scientists can trace its demise to its first hundred days. While Americans are careful not to consign a presidency they desperately need to succeed to the dustbin of history, the fact is that this president has moved — on issue after issue — in precisely the opposite direction of what the people want him to do.



**Right now, Obama's** ratings must be pleasing to his eye. Voters like him and his wife immensely and approve of his activism in the face of the economic crisis. While polls show big doubts about what he is doing, the overwhelming sense is to let him have his way and pray that it works.

But beneath this superficial support, Obama's specific policies run afoul of the very deeply felt convictions of American voters. For example, the most recent Rasmussen Poll asked voters if they wanted an economic system of complete free enterprise or preferred more government involvement in managing the economy. By 77-19, they voted against a government role, up seven points from last month.

And in the Fox News poll — the very same survey that gave Obama a 62 percent approval rating and reported that 68 percent of voters are "satisfied" with his first hundred days — voters, by 50-38, supported a smaller government that offered fewer services over a larger government that provided more. Obama's very activism these days arrogates to himself the blame for the success or failure of his policies. Their outcome will determine his outcome, and there is no way it will be positive.

Why?

- **You can't borrow as much** as he will need to without raising interest rates that hurt the economy;
- **The massive amount of spending** will trigger runaway inflation once the economy starts to recover;
- **His overhaul of the tax** code (still in the planning phases) and his intervention in corporate management will create such business uncertainty that nobody will invest in anything until they see the lay of the land;
- **His bank program** is designed to help banks, but not to catalyze consumer lending. And his proposal for securitization of consumer loans won't work and is just what got us into this situation. So Mr. Obama should enjoy his poll numbers while he may. ❖



## Specter's switch another bizarre Washington twist

By **DAVE KITCHELL**

LOGANSPOUR - The Help America Vote Act known as HAVA was passed to prevent situations like the one Minnesotans are dealing with now.



For months since the November election, they've been struggling with one of the closest Senate races on record between incumbent Republican Norm Coleman and Democrat Al Franken. Initially it appeared Coleman had won another term. Then a recount with many votes thrown out found Franken ahead. Then a lawsuit by Coleman threw yet another wrench into the process.

This may remind Hoosiers of the hotly contested 1984 race between the late Rep. Frank McCloskey and one of his many Republican challengers, Rick McIntyre, won "won" on election night with a 72-vote margin. At one point, McIntyre was ready to be seated in Congress before a recount prevailed and McCloskey was returned for another two-year term. McIntyre never came that close again.

The problem with these situations is that they all serve as examples why Americans have lost faith in their electoral system, or at least in a valid outcome. If a simple pencil scratch on ballots can determine the winner in an election, then someone, somewhere will view the intent of the scratch different ways.

**With millions of ballots** cast, it shouldn't be hard to find the winner in Minnesota, or at least to expedite the process that determines one. Yet in this age of sophisticated communications, the Internet, Twitter, Facebook and My Space, the Minnesota Senate has all the speed of maple syrup flowing down a ski slope in Hibbing in the middle of winter.

This situation may in part explain why one of the most predictable Republican votes in the Senate changed parties Tuesday. Arlen Specter, a former prosecutor with an unmistakable voice and a battling spirit that has fought off cancer, decided to become a Democrat after decades in

the Grand Old Party. Who would have believed that move if someone had put \$1,000 down on it happening in Vegas? No one I know would have even a week ago. His decision assures the Democrats of a filibuster-proof majority.

But Washington has become a place with some weird twists, ranging from Democrat Joe Lieberman's support of John McCain to Republican Jud Gregg's decision to be Commerce Secretary in the Obama administration and then withdraw as the nominee, to Specter's decision to cross the aisle. Maybe all the calls for bipartisanship are really being heard after all, so much so that switching parties just seems like a way to get around all the divisiveness.

**Regardless, I have to believe** the move would never have happened if Minnesotans simply had their act together. Clearly, their election network that is charged with the responsibility of producing representative government does not.

That creates a problem that's larger than one person winning or losing a race. It means that millions of people have only half the representation they are entitled to under the Constitution of this country. It means that the

lone remaining senator has to take on all-comers with issues, positions, proposals, press conferences and appearances on behalf of his state.

It shouldn't be that way.

What's happening in Minnesota should never happen in any state.

Congress, whether it has 99 senators or the obligatory 100 as the Constitution provides under our current number of states, should move to require elections to be finalized and candidates seated by the time Congress convenes for the spring session following November elections.

tions.

After all, if elections don't really produce elected officials, the election itself was an exercise in futility that was little more than a public opinion poll showing support for both candidates was about the same.

**Indiana officials should** move to approve reforms that allow Indiana recounts to be swift and sure and for the process to be as little like Minnesota as Miami resembles St. Paul. ❖

**Dave Kittell is a veteran Indiana political columnist who teaches journalism at Ball State University.**

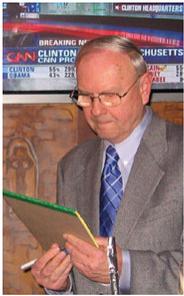




## Crazies want to create a Notre Dame 'circus'

By JACK COLWELL

SOUTH BEND - They're coming out of the woodwork at Notre Dame. They aren't from Notre Dame, but at Notre Dame, and their creepy, crawly appearance hurts the pro-life cause they say they support.



Like termites, however, they eat away, achieving their own goals, not caring what damage they cause.

I'm talking about the likes of Randall Terry, the serial law breaker who seeks to turn the May 17 commencement at Notre Dame into a "political mud pit," and Alan Keyes, the serial election loser who calls the commencement speaker "a radical communist" and warns: "We are either going to stop him or the United

States of America is going to cease to exist."

They hear the words of Jesus: "Let us who have sinned so much cast the first stone." Not what Jesus said? Right. But it must be what they hear. My purpose is not to list all the nasty and outrageous things these outsiders have said and done before coming to South Bend to cast stones.

But I want to make clear that their tactics for disrupting commencement are not supported by Notre Dame students or faculty or by people around here like Bishop John D'Arcy who support the pro-life cause on abortion.

Because some student groups criticize the invitation to President Obama to be commencement speaker - one of only three commencement invitations he accepted - and their comments are reported widely in the news media, there could be a false impression that the campus is rising up in support of Terry and Keyes.

Well, here are some facts.

Jeff Tisak, a football player who is demonstrations/protest co-chairman for ND Response, a coalition of student groups opposed to an honorary degree for Obama, said in a letter last week to The Observer, the student newspaper, that Response has neither invited nor endorsed outside protesters. He also referred directly to Terry's threat: "We will make this a circus."

**Tisak wrote: "We are motivated** by love of our university and have no desire to turn commencement weekend - or the weeks leading up to it - into a 'circus' of any kind. We are not agents of any outside organization. We are ND. As such, we will act . . . in a respectful and mature manner. We will not tolerate any other behavior on our campus. Anyone who wants to turn our beloved university into a circus will merely end up looking like a clown. We are

a serious organization; clowns have no place here."

The Observer reported earlier that letters from students were running 73 percent in favor of the invitation to Obama - 97 percent support among seniors, the graduates at commencement.

Letters from alumni were only 30 percent supportive. That could drop even more as Terry and company continue to solicit letters and money from alumni.

**It's not surprising** that there is majority support on campus for Obama's appearance. He won the mock student election handily last fall. Also, graduates welcome a prominent speaker, not somebody whose name they won't even recall a decade from now.

While outsiders call for firing Rev. John Jenkins, Notre Dame president, he received an ovation at a campus town hall meeting celebrating 60 years of black student-athletes at Notre Dame when he said: "President Obama clearly could have chosen any university in the country to give a commencement address, and they would have been just delighted to have him, but he's coming to Notre Dame, and we're exceptionally proud."

Faculty demand for commencement tickets is unprecedented, so high that a lottery was turned to in various departments to determine attendees.

Pro-life cause supporters who sincerely seek to change views rather than just attract publicity know that screaming "baby killer," displaying bloody images or creating a political mud pit won't bring useful dialogue.

Thus, Bishop D'Arcy, though staying away from commencement because of disagreement with Obama, also has urged "all Catholics and others of good will to stay away from unseemly and unhelpful demonstrations against our nation's president or Norte Dame" or Father Jenkins.

General Electric CEO Jeff Immelt, the 2007 commencement speaker, sees Obama's selection of Notre Dame as honoring the university and Father Ted Hesburgh, Notre Dame president emeritus, "the man who shepherded the U.S. civil rights movement into law 45 years ago."

**Not all will agree.** But virtually all on campus agree that any show of disagreement should be respectful and peaceful, not of mud-pit, circus or violent style. Most important in all this are the graduates.

Commencement is for them. They are ND. Those who will crawl back into the woodwork from whence they came are not. ❖

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



## Bayh votes against Obama's budget

By **BRIAN A. HOWEY**

INDIANAPOLIS - The 10-year \$3.5 trillion budget blueprint of President Obama passed both the U.S. House and Senate on his 100th day in office Wednesday, though it didn't garner a single Republican vote or that of Democratic U.S. Sens. Evan Bayh or Arlen Specter.

The bill passed the U.S. House by a 233-193 vote and 53-43 in the U.S. Senate. The budget has a \$1.2 trillion deficit.

While House Speaker Nancy Pelosi hailed it as a "great day" for America, House Minority Leader John Boehner said, "It puts all of this debt on the backs of our children and grandchildren. This is not the American way."

Bayh has yet to release a statement on another vote against the new president. On Wednesday, he told MSNBC's Morning Joe that voters "want us to do what's right, regardless of parties. People like myself and Ben Nelson will do the same." Nelson was another Democratic no vote.

Bayh said that he "tends to vote with my party" but will not vote for huge deficits. Told the current deficit represents 13 percent of GDP, Bayh said that even deficits at 3 percent GDP is "a real problem." Bayh added, "It's a breathtaking number. Even the Chinese are talking about putting resources in other than U.S. dollar assets."

Bayh said that President Obama "is not oblivious" and added, "Once health care is done, we've got to deal with this." He said that ultimately the bond market and foreign lenders will weigh in if the huge deficits continue. Of the bond markets, Bayh said that "interest rates will go up" resulting in stagflation and foreign lenders bailing out. Bayh explained, "We'll look for some restraint on domestic spending. We're willing to support the president, but we'll look for executive leadership."

**Bayh and Indiana Democrats** were very active on Wednesday. Bayh put out an e-mail to supporters stating, "Last November, Indiana made history by voting to put a Democrat in the White House for the first time in nearly a half century. In choosing Barack Obama to lead our country during a time of extraordinary economic upheaval, Hoosiers sent a clear message: America is ready for a leader committed to taking bold action to protect American jobs and

restore our middle class."

Bayh added, "President Obama was elected to lead in challenging times. The last time our country faced a crisis of this magnitude was 1932, when Franklin Delano Roosevelt was sent to Washington with a broad mandate to pull our country out of the Depression. Within 100 days, he passed a series of economic reforms to restore faith in our markets and confidence in our country. Every president since has been evaluated against him for what they've been able to accomplish in their first hundred days."

**Indiana Democratic Chairman** Dan Parker also released a Hamilton Campaign statewide poll that revealed Bayh's favorable/unfavorable rating was

74/23 percent, including 89 percent among Democrats and 61 percent among Republicans. It also showed that 73 percent gave Bayh a positive job rating.

President Obama's job rating was 61/36 percent and his personal rating was also 61 percent.

And the poll showed that U.S. Sen. Dick Lugar's fav/unfav was 74/19 percent.

The poll concludes: "Despite Obama's victory in Indiana in the 2008 presidential election, the state continues to be conservative. Voters are split in their opinion on the direction of the country. Both Sen. Bayh and President Obama have posi-

tive job ratings statewide. Sen. Bayh's ratings are higher than President Obama's largely because Bayh is rated more positively among both Republican and independent voters."

U.S. Rep. Mike Pence's stance on the budget was predictable. "The truth is, in the eight years of the Bush Administration's tenure — under Republican control of Congress six of those eight years — we did manage to double the national debt, and that was a disappointment to millions of Americans, me included," Pence said on the House floor. "And I believe it was part and parcel why the American people in 2006 showed us the door, because they know that we can't borrow and spend our way to a healthy America."

**Pence added, "According** to the numbers — and I don't want to get lost in the numbers — this budget will result in outlays of \$3.5 trillion for fiscal year 2010 and \$1.2 trillion in deficits in 2010. The deficits in this period never fall below \$500 billion — a number that was roundly criticized when the Bush Administration and Republicans hit it — now accepted to be the norm. And as I mentioned, public debt by 2014 will rise to more than two-thirds as a share of the economy. It's a budget that does not embrace the sacrifice and the resilience and the demonstrated virtue that millions of American families and millions of small businesses are practicing today." ❖





**Rich James, Post-Tribune:** Unless there is a special session, the General Assembly is going to pack up and head home at midnight next Wednesday.

The 150 legislators have been there since early January and have yet to approve a bill that is worth writing about.

That's bad. They have, on the other hand, killed a host of bills. That's good. Whether the legislators will do something to improve the lives of Northwest Indiana residents remains to be seen, but it is highly unlikely. As one who used to ply the hallways of the Statehouse, I realize that what has happened over the last four months doesn't much matter. Tit for tat takes over the legislative process in the waning days. While I don't have much to offer other than an "attaboy," these are some of the things I'd like to see accomplished:

- \* The revocation of the operating levy freeze imposed two years ago on all Lake County governmental units except schools.
- \* A financing mechanism for expanded commuter rail in Lake and Porter counties.
- \* The suspension of the sales tax on beer on Fridays.
- \* The return to a single-class high school basketball tournament.
- \* The appropriation of enough money to finish the Little Calumet River levee project this year.
- \* A law requiring legislators to check their Bibles at the Statehouse door.
- \* Whatever it takes to eliminate highway gridlock in Lake County.
- \* The removal of the wall separating Lake and Porter counties.
- \* Approval of funding to launch the Illiana Expressway across Lake and Porter counties.
- \* Implementation of the Kernan-Shepard Local Government Reform Commission recommendations.
- \* The end of the charade that riverboat casinos are something out of the Huck Finn era. Allow the existing casinos to convert to land-based.
- \* The suspension of the sales tax on beer on Saturdays.
- \* The seed money for the construction of a convention center somewhere in Northwest Indiana.
- \* The sanctioning of ice hockey as a high school sport.
- \* An explanation as to how Indiana became known as the Hoosier state.
- \* The conversion of the entire state to Central time.
- \* Whatever's needed to convert Schererville, Dyer and St. John into one town. ❖

**Matt Tully, Indianapolis Star:** During his State of the State address on Jan. 13, just as the General Assembly session was starting, Gov. Mitch Daniels laid out his wide-ranging legislative agenda. He described it with words such as "momentous" and "historic" and said his proposals offered state lawmakers a "huge opportunity." "Let's move forward together, and boldly," Daniels said. "The only motion out of order is no motion at all." As lawmakers listened, the governor asked them to pass a two-year state budget with tight spending constraints. He touted a bill to increase spending on classroom activities. He urged the legislature

to vote on a resolution to put property tax caps in the state constitution and said it should move swiftly on a sweeping proposal to restructure and reform local government. But more than three months later, Daniels' agenda is in tatters. He has sharply criticized as bloated the budget bills

coming out of the Democrat-controlled House and the Republican-run Senate. His "dollars to the classroom" plan has failed so far. House Speaker Pat Bauer -- whom Daniels called "the one vote that counts" -- blocked the property tax and government reform efforts. So far, the only major item on Daniels' State of the State wish list to see success is a school-discipline bill that gives teachers more protection from lawsuits. But even one of the governor's fellow Republicans, Rep. Mike

Murphy of Indianapolis, downplayed that bill, saying it "is not the biggest thing since sliced bread." ❖



**Lesley Stedman Weidenbener, Louisville Courier-Journal:** Legislative leaders pledged last December to take a 13 percent pay cut as part of a larger plan to cut costs in the face of declining state revenues. But it didn't quite turn out as they had originally planned. Concern about whether the Internal Revenue Service would force them to pay taxes on the full salary as defined by law -- rather than the lower amount -- led House and Senate leaders to take the money anyway. Now, most have either donated the money -- about \$2,800, less what they'll owe in taxes -- back to the state or have given it to charity. The others plan to do the same. Democratic Caucus Chair Connie Sipes, D-New Albany, said she plans to give the money to her church, Park Christian in New Albany. Senate Minority Leader Vi Simpson, D-Bloomington, said she gave her 13 percent to a women's shelter. Republican leaders, meanwhile, said they decided to give the money back to the state. Senate President Pro Tem David Long, R-Fort Wayne, said he wrote a check to the general fund. "That met with the original intent," said House Minority Leader Brian Bosma, R-Indianapolis. "We wanted to save the state money." What makes the situation interesting is that other statewide leaders, who also agreed to a 13 percent pay cut, did not go through such machinations. They just took less money. House Speaker Pat Bauer, D-South Bend, said previous state leaders had been similarly advised that they couldn't reduce their pay, so it was no surprise that legislators decided that was their best choice as well. He donated money to a food bank. "Food banks tell me that for every dollar you give them they can create \$8 worth of food because they buy in bulk," he said. "And people are hungry right now." ❖



## **Vigo Commissioner pleads to meth charge**

TERRE HAUTE - Vigo County Commissioner David W. Decker has agreed in U.S. District Court, Southern District of Indiana, to plead guilty to distributing methamphetamine. He also agreed to resign his elected county position (Greninger, Terre Haute Tribune-Star). A plea agreement Decker signed Tuesday and filed in federal court Wednesday shows Decker admitted to distributing 3.25 grams of a mixture or substance containing methamphetamine. The amount is 1/8th of an ounce, known as an "eight ball." Decker, 53, is scheduled to appear for an initial hearing at 9 a.m. today in federal court in Terre Haute. He will then appear in a plea hearing, where he will waive his constitutional right to a grand jury indictment, said Assistant U.S. Attorney Bradley A. Blackington. If the plea agreement is accepted by the court, Decker will then appear for a sentencing hearing. Once a plea agreement is accepted, his resignation can be enforced, Blackington said. A message was left at Decker's home and cellular telephone seeking comment. His attorney, William Smock, said Decker will resign from his county office today.



## **Walorski, Clark won't seek secretary of state**

JIMTOWN - State Rep. Jackie Walorski has decided against running for Secretary of State citing the economic condition of her district as the reason. In recent months much of House District 21, including Elkhart County, has been hit especially hard by the economic downturn. Indi-

ana Republican Chairman J. Murray Clark also said he would not seek the post, despite rumors reported on the Hoosier Access blog. Walorski said that with the closure of manufacturing plants in several industries unemployment has been hovering at around 20 percent. Walorski had been approached by several people asking her to consider running for Secretary of State. There was even a draft Walorski movement started on Facebook.

## **FSSA privatization freeze bill dies**

INDIANAPOLIS - Legislators have abandoned an attempt to freeze the privatization of eligibility determination for welfare, Medicaid and food stamps (Berman, WIBC). The Family and Social Services Administration has already put the privatization rollout on hold while it addresses glitches in the 59 counties which have already turned over those responsibilities to an I-B-M-led consortium. But the Daniels administration says the system is still an improvement over the one it replaced, and had strongly resisted attempts to block it. A coalition of labor groups and advocates for senior citizens and the poor, which opposed privatization from the beginning, had been lobbying to void the contract with I-B-M and return those duties to the state.

## **Gary casino move impacted budget**

INDIANAPOLIS - State Senate leaders have declared dead a bid to relocate one of Gary's two lakefront gambling riverboats to the Little Calumet River or a land-based casino near Interstate 80/94 (Guinane, Times of Northwest Indiana). "It's not going to happen," Sen. Luke Kenley, R-Noblesville, said Wednesday afternoon. "Not this year." Earlier in the day, Reps. Charlie Brown, D-Gary, and Vernon Smith, D-Gary, pledged to withhold support for the state budget unless

the casino move goes forward. "The entire black caucus is solid on this whole issue," Brown said. "My heels are dug in on this one." But discussions now center on finding House Republican votes for the budget, which could neutralize any Democrat hold-outs. Brown said as many as a dozen GOP votes could be needed to freeze out supporters of the casino shift.

## **Teen driver bill passes**

INDIANAPOLIS - Teenagers would have to log at least 50 hours of supervised driving and wait longer before receiving a driver's license under a bill that has passed the General Assembly (Associated Press). The House gave final legislative approval to the bill on Wednesday, the deadline for the session to end. The bill now goes to Gov. Mitch Daniels for consideration. It would ban drivers younger than 18 from using cell phones and other telecommunications devices while behind the wheel. Teens who take drivers education could get their licenses at age 16-and-a-half. Without drivers ed, teens could get a license at age 16 and nine months.

## **Puppy mill bill to gov**

INDIANAPOLIS - The state's most abusive commercial dog breeders (puppy mills) will be held accountable if Gov. Mitch Daniels signs House Enrolled Act 1468 into law. The Indiana House of Representatives today voted unanimously to approve the conference committee report for the bill after weeks of heated debate. State Rep. Jackie Walorski (R-Jimtown), who coauthored the bill, was among those who voted to advance HEA 1468 to the desk of Gov. Daniels. "I've been working to pass a good version of this legislation for the past six months," Rep. Walorski said. "While this bill does not include all of the provisions it contained in its original version, it still has the teeth to come down hard on the worst offenders." Originally, this bill capped the number



of dogs a breeder could keep and created numerous requirements for the conditions of kennels. In the conference committee process, legislators removed the cap, opting instead for a sliding scale for license fees on breeders based on the number of unaltered female dogs a breeder keeps in its operation. The bill retains language pertaining to animal abuse and neglect and enhances penalties for these crimes. "This bill takes necessary steps to hold abusive breeders accountable without burdening hobby breeders and pet owners," Rep. Walorski. "This takes Indiana farther than we've ever been in taking a stand against animal cruelty and in regulating puppy mills."

## **No vote on abortion bill**

INDIANAPOLIS - Legislators also never took a vote on a bill that could make it harder for women to obtain abortions in Indiana. Senate Bill 89 would have required doctors who provide abortions to secure admitting privileges at local hospitals (Indianapolis Star). Proponents argued the bill would address patient safety issues, while opponents said it would cut down on access to the procedure because most abortion doctors in Indiana do not have admitting privileges. Negotiations, however, came to a standstill over another provision in the bill: a \$23 million program to provide free breast and cervical cancer screenings for uninsured women.

## **Short hearing for Judge Hamilton**

WASHINGTON - Despite Republicans' insistence that they needed more time to question Hoosier David Hamilton, the GOP showed little interest in him Wednesday during the second hearing over his nomination to the 7th U.S. Circuit Court of Appeals (Indianapolis Star). Oklahoma Sen. Tom Coburn, the only Republican who attended the hearing, asked two ques-

tions before praising Hamilton's uncle, former Indiana Rep. Lee Hamilton, as one of his heroes.

## **CDC flu supplies arrive in state**

INDIANAPOLIS - State health officials say Indiana has received a new shipment of enough antiviral medication to treat 238,000 more people if the state develops a swine flu outbreak (WIBC). State health department spokeswoman Elizabeth Hart says the federal drug shipment that arrived Wednesday means the state now has enough medication on hand for the treatment of 889,000 people.

## **Monroe urges common sense**

INDIANAPOLIS - During a stop in Gary on Wednesday, Indiana State Health Commissioner Judith Monroe stressed common sense precautions to help prevent the spread of so-called swine flu (Times of Northwest Indiana). "We need you to play your part," Monroe said, urging frequent hand washing, covering of coughs and sneezes and other precautions.

## **Muncie facing dramatic budget shortfall**

MUNCIE - Just when Muncie officials thought the city's budget problem couldn't get any worse, it did -- much worse (Muncie Star Press). Already reeling from trying to deal with at least \$2.7 million less in operating revenue this year, city officials say they've learned the total shortfall will be \$3.8 million. Deputy Mayor Dick Shirey -- who says his position and others could be expendable -- lashed out at legislators who last year enacted property tax caps that have resulted in less revenue for cities, counties and other taxing entities around Indiana, but state Rep. Dennis Tyler said city officials have had plenty

of time to react. "It's becoming an impossible challenge," Shirey said. "We've made some cuts, but \$3.8 million is the equivalent of two months of municipal government. We're looking at everything, but at this point, I think we're going to have to cut even more, even to include my position. When you take out all department heads on the civil side, you're likely to come up with a half-a-million bucks." "I absolutely feel the impact," Tyler said. "That's the reason we implemented those property tax caps. Dick Shirey was part of local government and so was Mayor (Sharon) McShurley, and not a single one of them spoke down here in opposition to it."

## **Former Vanderburgh sheriff a sex offender**

FORT MYERS, Fla. - A former Vanderburgh County Sheriff will spend the next 10 years on sexual offender probation in Lee County, Fla. after pleading guilty to a felony charge of committing lewd and lascivious conduct (Evansville Courier & Press). Clarence Shepard, who served two terms as sheriff from 1983 to 1991, was arrested last October on accusations he touched a young girl inappropriately inside his Fort Myers, Fla. home.

## **DUI for Clarksville redevelopment official**

CLARKSVILLE - A Clarksville official was arrested Tuesday night while driving his town vehicle and was charged with drunken driving, according to a police report (Louisville Courier-Journal). "I take full responsibility," Rick Dickman, Clarksville's redevelopment director, said yesterday. Dickman, a former town court judge and former Town Council member, said he called each member of the council yesterday to apologize.