

SENATE RULES REFORM

We are going to continue to work on Senate rules reforms. I will continue to work with the Republican leader on a package of reforms I hope we can agree on. As I have said before, if we don't agree, then we are going to do something as a Democratic caucus alone. I remain cautiously optimistic we will be able to move forward on a bipartisan basis. I hope we can do that. I will have more to say about that if, in fact, we can do that.

We are not going to get everything we want, and the Republicans aren't going to get everything they want. But maybe we can find a sweet spot in the middle and come up with something that will make the Senate more efficient. However, Democrats reserve the right of all Senators to propose changes to the Senate rules. We will explicitly not acquiesce in the carrying over of all the rules from last Congress. There must be some agreement reached or we will have to use every means to make the Congress—especially the Senate—more efficient.

Would the Chair announce the business of the day.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will be in a period of morning business for debate only until 12 noon, with Senators permitted to speak therein for up to 10 minutes each.

Mr. REID. Madam President, I note the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COATS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FISCAL POLICY

Mr. COATS. Madam President, earlier this week, through the eyes of the Nation watched the inauguration ceremony here in Washington. A week before that, back in Indiana, I was present for the celebration of the inauguration of Indiana's 50th Governor, former Congressman Mike Pence, who is taking over after 8 years of leadership under our former Governor, Mitch Daniels. So back-to-back weekends had two special events.

Inauguration ceremonies are a time for reflection on what has happened in the past and a time for new vision on how we ought to go forward with the future. It is also a time for new oppor-

tunity. An opportunity for the kind of change necessary to address the problems and challenges we face.

As I participated in the inauguration events for Governor Pence in Indianapolis just two weekends ago, I couldn't help but think of the remarkable record of achievement and the bold reforms that our former Governor, Mitch Daniels, delivered to the Hoosier State and the lessons they may offer to Washington.

In 2005, Indiana faced a several-hundred-million-dollar deficit. This pales by comparison to the deficit we face here; but, nevertheless, for a State of our size it is a significant amount. Although it is constitutionally mandated in Indiana, we had not balanced our budget for 7 years. Governor Daniels and his team had a vision and the political courage to make much needed changes, and the people of Indiana supported and responded. While other States increased spending and raised taxes, Indiana reduced spending, cut taxes, and paid down our debts.

Governor Daniels, with the help of the legislature and with the support of the people of Indiana, slowed down the rate of spending. The State's expenditures have grown at less than one-quarter the rate of the previous decade. We also reduced the size of State government.

Indiana has the fewest State employees per capita in the country. We paid down the previous debt by 43 percent, and we currently sit with a budget surplus and a rebate program which will give money collected in taxes back to the taxpayer because of our state's efficiency and effectiveness in terms of running our government. Indiana, as a result of this, has received its first AAA credit rating. This means when we do need to borrow or sell bonds to do certain infrastructure or meet other needs, we can receive low interest rates because of our superb AAA rating. All this has transformed Indiana's balance sheet and made our State one of the most attractive places to live, raise a family, and do business in the Midwest, if not in the Nation.

The story of Indiana and how it got hold of its fiscal issues has been written up in national journals and newspapers and documentaries and others. It is a remarkable story. It is not unique because we see these things happening in other States around the country led not only by Republican Governors but Democrat Governors. These are the kinds of decisions that have to be made and are being made to restore state and local governments. And it has created a much brighter future for the citizens of those States.

Governor Daniels has often said, "You'd be amazed by how much government you'll never miss." The results of his administration back that up.

You can go around Indiana, as I have, and talk to people from big cities to small, rural to urban and everything in between and ask them how we have

moved from deficit to surplus in our state. You can ask if they still believe our state performs the necessary functions of government and you can ask Hoosiers what has been cut that you think should have stayed.

Frankly, no one could come up with an answer that says: We have had disastrous consequences from these decisions. The vast majority say that things are working pretty well. In fact, I can get my license renewed through a total revamp of our licensing system in just a few minutes over the Internet or just a few minutes at the DMV. Governor Daniels' measure for that was in and out in less than 7 minutes.

For those of us who have spent hours and hours committing half a day or more to getting our license renewed, this is a remarkable achievement. The use of technology, privatization, and the use of more efficient government demands that our civil servants do more with less and this has proven to be effective.

While the fiscal situation we faced in Indiana is not totally analogous to what we face here, the principles are the same, and there still are many similarities. As Washington seeks answers at the start of this new session of Congress on how we move forward and address our extremely serious debt situation and get our fiscal house back in order so that we too can retain a AAA rating and so we too can provide the opportunity for growth and opportunity not just for the middle class but for all Americans in the future, maybe there are some lessons to be learned from Indiana. The spend less, borrow less, and tax less Hoosier model has resulted in balanced budgets, job creation, and a AAA credit rating. In contrast, the spend more, borrow more, and tax more approach in Washington during these last several years has resulted in fewer jobs, higher debt, and a threatened downgrade from credit agencies.

So as we reflect back on the last 4 years of this current administration, it is clear to me we must take a different course in the second term of this administration.

Whether lawmakers want to admit it, the crux of our problem is this: Washington has promised Americans far too much and committed well beyond our means. Federal spending and borrowing cannot continue at this current pace without dire consequences.

Whether one is reading or listening to a liberal, conservative or a non-partisan economist or an analyst, there is a consensus that sustaining our current rate or continuing our rate of borrowing and spending simply is not feasible and the consequences will be dire if we do not address it.

As we seek to address these issues, my suggestion for Washington is to take a look at the Hoosier model. It is tested, it is proven, and it is working.

We need to go big and bold. We need to have the political courage to look beyond the short-term political consequences, as we perceive them, to the