



# Big Bang II: Taxes & ideas evolution

*Kernan-Shepard will give public policy, politics a reform boost*

By **BRIAN A. HOWEY**

INDIANAPOLIS - It's always an extraordinary sight when our governors and presidents - current and former - are seen together, usually at funerals or ceremonial events.

That was the case Wednesday, when Gov. Mitch Daniels was joined by former Gov. Joe Kernan and Supreme Court Justice Randall T. Shepard to open a new and extremely important chapter in Indiana's history: restructuring state, local and school government that has been inextricably bound to the 19th Century via the 1851 Constitution..

This holds gigantic public policy opportunities, and, perhaps, even bigger political implications. Gov. Daniels has repeatedly said that Indiana can ill afford to lose a



Former Gov. Joe Kernan (left), Chief Justice Randall Shepard and Gov. Mitch Daniels announce a Blue Ribbon Commission to study government reform, an event that HPR has urged for the past five years. (HPR Photo by Brian A. Howey)

day, let alone an entire year or legislative session, to rebuild

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## Out of crisis, opportunity

By **LARRY BORST**

INDIANAPOLIS - One of the few benefits that ever arise from a chaotic situation is opportunity.

Gov. Daniels, Speaker Bauer, and Sen. Kenley have now been presented with an opportunity to formulate sweeping reforms of the assessment system and opportunities to establish controls to insure that the present discussions never have to happen again.

The property assessment and taxation crisis in Marion County may allow the legislators to lay aside past reticence, doubts, conflicts and boldly endorse new procedures that can correct the underlying reasons for the problems of today.



“We just can’t leave. There would be an unbelievable bloodbath, with half a million to a million killed if we left now.”

- U.S. Rep. Joe Donnelly, to Jack Colwell of the *South Bend Tribune*, after his visit to Iraq



The effectiveness of the DLGF needs to be assessed. The DLGF needs to require accountability of the local assessors. The DLGF should require adherence to attainable standards, whether it is timely reporting, or accurate responses. In the past, DLGF has been way too lax. The legislature certainly can provide the monies to add field-based DLGF personnel that are engaged in oversight. The Iowa experience, whereby the state is responsible for all assessments, should be investigated and considered.

The controls on local government expenditures that were encompassed in the 2002 program should be revisited.

Homeowners' property tax bills must be more forcefully capped. A maximum of 3% increase of the previous year's payment could be one suggestion.

Now that the initial step in trending has occurred, general reassessment can be a thing of the past, and yearly assessments the norm.

I rather doubt that the necessary information is available at this time for any comprehensive program to be enacted in a special session. The legislature needs to know if we now have a Marion County, Madison County and Aboite Township problem, or whether the problem is definitely statewide. One-time infusions of state monies, borrowed or from surplus, only shortly forestalls the day of reckoning.

In the short run, the rebate should be converted to a credit.

Finally, those that call for a total elimination of the property tax are ill advised. Such a move would be poor public policy. ❖

**Borst is the former chairman of the Senate Finance Committee. He now lobbies for Baker & Daniels.**

## From Orr on phone, to Apple's iPhone

By **BRIAN A. HOWEY**

INDIANAPOLIS - As the euphoria surrounding the June 2002 special session of the Indiana General

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Assembly began to fade, I came to the conclusion that Indiana's 19th Century government was so antiquated that it needed study and overhaul.

The 1973 tax reforms brought on by Gov. Doc Bowen were neutralized in just 11 years. As Gov. Frank O'Bannon signed in the new tax reforms, some suggested they might have half the life of Bowen's. In 2007, that was a prescient observation.



Brian Howey's Column

Two mayors I covered as a reporter - Elkhart's Jim Perron and Fort Wayne's Paul Helmke - advocated a modernized approach to state and local government.

Years later, the conversations began in earnest at the Chatterbox Tavern - a downtown jazz dive - with people like Tim Jeffers in the late 1990s, who ran for secretary of state in 1994 calling for an abolition of that office.

In my July 18, 2002, column, I wrote: We heard constantly during the recent tax restructuring debate from Hoosiers talking about the "high cost of government," yet we look around and see duplication of services out the wazoo. The Indiana Constitution of 1851 ... was a product of a bygone era coming off a public financing scandal concerning canal construction. It doesn't reflect the modern realities of rapid travel, communication or tech-

nology.

Helmke observed, "I have spent a lot of years talking about the importance of re-examining how we structure our government and how what made sense in the 1850s doesn't necessarily work now with the advent of such modern inventions as the automobile and telephone (much less television and the computer). How can we deliver services efficiently or pay for them equitably when we refuse to recognize the changes in our world over the last 150 years?"

There were a number of phone conversations with former Gov. Robert Orr, who served on a 1970 commission to re-evaluate Indiana government. I had phone conversations back in 2002 with then-OMB Director Mitch Daniels, who I once asked, "Why do we need 92 counties?" Daniels responded, "That's a good question." But I was a lone wolf on this subject. Other than reporters for the **Times of Northwest Indiana** and an occasional editorial writer, few reporters or columnists picked up on the notion that an 1851 form of government would no longer serve the people well.

That all began to change today as the phrase "Constitutional Convention" began appearing in press reports across the state, coming during the same week as the unveiling of Apple's iPhone, which is going to change everything in how we communicate. ❖



## Kernan-Shepard: From page 1

the state. He sees no reason for the 2008 elections to keep the executive and legislative branches from moving forward. The Kernan-Shepard Commission will be an instrument of public policy, but its existence could (and should) leach into the political process. The 2008 challengers who might only want to talk about the transgressions of the past four years without building and talking about ideas for the future will likely find themselves on shifting, diminishing ground.

The 2008 election will be an ideas election. While it will be a referendum on the Daniels arc of change, it also stands to be another blueprint of the future that, hopefully, both parties will participate.

It will be an opportunity to shake, once and for all, the notion still propagated today that Indiana is a state bound to the past and reluctant to change, even though the Kernan-Daniels dynamic is testament that things do change; political enemies can bind their wounds and work together; that public policy can take precedence over demagoguery; that we can evolve.

## Two governors seeking reforms

Some Democrats HPR talked with were astonished and fearful that Kernan would enter a Daniels enterprise and that he might not support the party's 2008 nominee, which is ridiculous. The Democratic Party released a shrill press release that ran completely counter to the serious and constructive tenor when Daniels, Kernan and Shepard met with the press on Wednesday.

Kernan was only briefly a governor. As lieutenant governor, he spearheaded the last property tax reforms that were passed in June 2002. On assuming the governorship in September 2003, Kernan began breaking molds. He appointed Kathy Davis to be the first female lieutenant governor, and then charged her with studying state and local government reforms. Gov. Kernan urged Davis to "kick the tires and look under the hood" of state and local government, suggesting that "we might build a whole new car."

Daniels defeated the Kernan-Davis team in 2004 and Davis never made a final report on her findings. The promise of the Kernan governorship, borne of tragedy, never really evolved to a point where change became a hallmark. But there were indicators that he might have gone, to some degree, where Daniels did. Upon assuming office, he quickly transformed the executive branch into what was described as "cabinet-styled" governance.

In August 2004, Kernan proposed eliminating the 1,008 township assessors, consolidating their functions into county government.

"I'm a Democrat, and I also am a citizen. I was taught and always believed that if there was a problem

where you might be able to help work toward a solution for a problem that affects other people in your community, then you have a responsibility to step forward," Kernan said. "So from a personal standpoint, no, this was not a difficult decision."

In addition to their mutual desire to explore restructuring government, Daniels and Kernan shared similar policy stances. Both support making the superintendent of public instruction a gubernatorial appointee, following the path when the General Assembly made the clerk of courts a judicial branch appointee.

During the brief Kernan tenure, Daniels was White House budget director while he geared up for a gubernatorial run. HPR once asked Daniels, "Why do we need 92 counties?"

Daniels responded, "That's a good question." Only 11 states have more counties than Indiana with California, Florida, Pennsylvania and New York much bigger demo-



Musgrave, Davis, and Kernan (from left) all have dealt with tax and reform issues.



graphically, but with fewer counties.

The Daniels governorship comes a century after Democratic Gov. Thomas R. Marshall really coveted something more than a good 5 cent cigar; he sought a Constitutional Convention to revise what he believed was antiquated Indiana government, only to be thwarted by the Indiana Supreme Court.

At the 2005 HPR Forum, we attempted to add historical context to the local unification and consolidation efforts underway in Fort Wayne/Allen County and Evansville/Vanderburgh County.

Then-Vandburgh County Commissioner Cheryl Musgrave walked through the unification efforts that began in the 1950s and culminated in a failed referendum in 1974, in part due to the Watergate scandal and the mistrust of government. In the 1950s, all the Vanderburgh County school corporations unified. "I want to encourage every community to look at Vanderburgh County's model," said Musgrave, who last Friday accepted Gov. Daniels' offer to become director of the Department of Local Government



Finance.

"We are asking the legislature to change municipal government," Musgrave said in '05. "Our 19th Century municipal structure doesn't work. I think this is a statewide issue that requires a statewide, not a piecemeal, response."

### *Shepard and the Big Bangs*

During the 2005 HPR Forum keynote, Chief Justice Shepard recalled the days when he worked for Evansville Mayor Russell Lloyd, Sr. There was a question about the administering of power. "My lawyer said we can't do that because it's a violation of ordinance," Mayor Lloyd said. Shepard responded, "We're in the majority, let's rewrite the ordinance." In 2005, Shepard said, "You've got to stop thinking about these things as if they were engraved in stone."

Shepard called the collapse of the 1840s canal financing "the most important political event of the era" and the "big bang" that "taught successive generations and particularly Hoosier decision-makers that big and ambitious plans were too risky and that small was better."

The big bang resulted in the 1851 Constitution that rules and guides Indiana today. Shepard noted that in 2000 Gov. Frank O'Bannon and Lt. Gov. Kernan came back from New York and announced they had persuaded the bonding agencies to give Indiana debt a favorable rating.

"It begged the question, what debt are you talking about?" Shepard asked. He noted that an 1881 amendment to the 1851 Constitution disallowed debt of more than 2 percent. By 1923, when the town of Bicknell challenged the debt ruling, cities and towns began adding additional taxing districts - libraries, levies, parks, housing, public trans-

portation. "Each one of these is treated like a little silo," Shepard said.

It was the Unigov litigation (Borst vs. Lieber) that allowed the consolidation of various administrative activities into a single hole. Shepard noted that when the city of Muncie created a park board to escape debt limitation, "its ability to control it is greatly diminished."

And, thus, the Big Bang of '07: the property tax crisis brought on by an array of taxing districts, many without elected representation.

As Shepard concluded, he said the biggest barriers to reform are "our own minds. It seems to me the real question for modern reforms is not what the Constitution won't let us do, but what we are ready to do with each other for Indiana's future."

### *Wednesday, under Marshall's gaze*

On Wednesday - July 18, 2007 - under the portrait gaze of Marshall looking down on Gov. Mitch Daniels' new Indiana hardwood conference table, the potential for structural change reached a new point and a new trajectory.

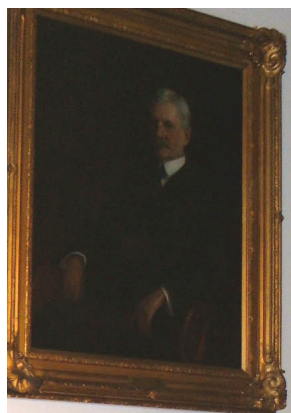
Gov. Daniels appointed Shepard and Kernan to head a Blue Ribbon Commission on Local Government Reform.

"I can't imagine two more distinguished and respected Hoosiers to lead this effort," Daniels said. "I'm grateful to both for their willingness to serve their fellow citizens by tackling the root cause of our state's ongoing property tax problems - an outdated and costly system of local and school government."

The commission will review previous studies and analyses of local government reform in Indiana. It will also gather its own information during the process and will consider:

1. what government offices might be eliminated to achieve cost savings;
2. what units can be consolidated, including schools and library districts;
3. what services or functions might be reduced, eliminated or provided in new ways to achieve savings;

4. whether a Constitutional Convention is necessary or desirable as a means to achieve significant reforms in the structure and organization of Indiana state government. In late December, the commission will publish a report to the citizens of Indiana with recommendations on how local governments can increase the efficiency and effectiveness of their operations to lower taxpayer costs.





## ***Smoldering government***

The Shepard-Kernan Commission comes as Indiana's government smolders. A property tax crisis has hit cities like Elkhart, Madison, Kokomo, Indianapolis and, soon, Muncie, South Bend and Auburn. Many blame a patchwork of assessments made in the 1,008 townships. Marion County failed to adequately hold a primary election last May despite a meager turnout. Both political parties in the Indiana General Assembly have played passive-aggressive with the whole township situation. Mayor Peterson's Indy Works reforms were torpedoed when Republicans wouldn't relent on trustees and Democrats on assessors. House Republicans tried to eliminate more than 700 township assessor positions a couple of years ago. Then-State Rep. Bob Kuzman proposed eliminating townships altogether.

Pigeon Township Assessor Paul Hatfield said township-level offices, such as his, should have been abolished years ago (**Evansville Courier & Press**). Hatfield, who has repeatedly called for eliminating township government, said he calculated that Vanderburgh County would save between \$300,000 and \$400,000 a year by doing so. "I think the general consensus of the population would be (in favor of eliminating the township offices) because it means they're going to get a fair assessment on their property — which in many cases means it would be lower," Hatfield said. There are 31 states with no township government and of the 19 states that do, only eight have more than Indiana's 1,008 townships.

There is growing resentment about schools and the facilities they are building that are way above the national average in cost. Yet school corporations have also been charged to "leave no child behind" by the Bush administration and many are failing national and state standards. Only 18 states have more school districts than Indiana, and Indiana has 52 districts with fewer than 1,000 students. Only 13 states have more library districts.

Through this layering of government, a typical taxpayer's property taxes has at least five different taxing units. Many have more.

During State Rep. David Orentlicher's town hall meeting in Carmel Tuesday night, Marion County Assessor Greg Bowes said, "We should have centralized assessing. My handicap is that I have to rely on township assessors to do their jobs."

Bowes, a former Pike Township assessor, said, "When you voted for an assessor, did you know who he or she was? Did you know their qualifications?"

The Daniels administration notes that local government in Indiana has remained fundamentally unchanged since the Civil War. The state has approximately 2,730 local units of

government and an estimated 10,746 elected officials with the authority to tax property. Only nine states have more government than Indiana. For instance, the Hoosier State has 1,008 townships while 31 states have no township offices at all.

"The unneeded overhead of this antique system drains dollars from our school classrooms, from our public safety first responders and from the pockets of property taxpayers," Daniels said. "Indiana will never be able to provide excellent local services at reasonable tax levels until true reform occurs."

Kernan said, "I spent 13 years as controller and mayor, I come into this with experience and opportunity." Kernan said he has talked to Davis, who he appointed four years ago to examine state and local government. "Lt. Gov. Davis did some very good work and, in fact, I've talked with her. I go in with a completely open mind recognizing what the governor has said is to kind of start from scratch. If you're building an organization today, what would it look like?"

Shepard said he comes into the commission with "no preconceived notions." He added, "I started my career in local government. It's been a long time matter of interest."

## ***The prairie firestorm***

What we all witnessed these past two weeks is what Evansville tax activist David Coker called a "prairie firestorm." Gov. Daniels responded by ordering reassessments in Marion County, with others likely to follow in places like Elkhart and Jefferson counties. He ordered current taxes to be paid at 2006 levels.

This came after thousands of Hoosiers conveyed their pain, fear and pending retribution. The politicians appeared to understand. House Minority Leader Brian Bosma said his caucus will push local government reform it passed a couple of sessions ago and tried to build on last winter and spring.

## ***Legislative reaction***

House Speaker B. Patrick Bauer said, "We worked very hard to do something about township government. The mayor worked very hard on township government. Obviously we have a problem in the assessing system, which is also something we have to do. That is one of the things, whether it's a special session or in November, we have to do something about the reassessment."





# HOWEY *Political Report*

## *Weekly Briefing on Indiana Politics*

Senate President Pro Tempore David Long told the **Fort Wayne Journal Gazette**, "I've been a long-term proponent of trying to find ways to make government more efficient and less expensive, maybe shrinking government. This gives some sense of urgency to that issue. Our job is to provide services most efficiently and least expensively and if we can do that by reducing some layers of government, ... we should explore that."

State Rep. Jackie Walorski said, "The property tax situation is broken and we need true reform. I am confident that the Blue Ribbon Commission will provide solid alternatives to fix Indiana's outdated tax code."

State Rep. Jim Buck said, "The need for local government consolidation has long been acknowledged. Legislative discussion and research resulted in the passage of House Bill 1362, which I authored during the 2006 legislative session. It is my hope that from this well thought out and historic legislation, House Bill 1362's implementation will be encouraged by the recently appointed Blue Ribbon panel."

"Only nine states in the country have more local units of government and more locally elected officials than Indiana," said State Sen. Teresa Lubbers, who represents hard-hit Marion County neighborhoods. "We have to find ways to do things more efficiently – not just in Indianapolis but across the entire state. With more than 10,000 locally-elected officials – including 1,100 with responsibility for property tax reassessment, it's no wonder we lack uniformity in tax issues."

### **Lake County's 18 call centers**

Association of Indiana Counties Director David Bottorff said, "Local units of government are often asked to increase spending for issues about which they have little or no control, such as welfare or judicial mandates. If county councils are going to be asked to increase taxes for other units to spend, then perhaps county councils should approve all levy increases in a county before budgets are approved."

IACT's Matt Greller said, "We are encouraged by Gov. Daniels' call today for the creation of the Commission on Local Government Reform to explore and analyze ways in which local governments can operate more efficiently and effectively."

Kevin Brinegar of the Indiana Chamber said, "Given our state's current property tax dilemma, more people at the local level and state legislators should now be more

receptive to seriously debating how our local government should be restructured. We simply have too many overlapping units of local government that provide the same services, and each and every taxpayer is paying the price for that. Hoosiers can no longer afford a duplicative and wasteful structure of local government."

Brinegar added this example: Lake County has 18 separate 911 call centers. "Yet each is reportedly capable of serving the entire county by itself," Brinegar said.

Porter County Commissioner Bob Harper agreed that counties have too many elected offices with "no one really in charge" (**Times of Northwest Indiana**). He



**A poised State Rep. David Orentlicher responded to intense questions from taxpayers Tuesday night in Carmel. He urged the governor to act. (HPR Photo by Brian A. Howey)**

doubts legislators will muster the "intestinal fortitude" to abolish local fiefdoms amid intense lobbying to preserve the status quo. "They're going to run and hide until this blows over," he said

### **Indiana Democrats mostly mute**

Indianapolis Mayor Bart Peterson "applauded" the creation of the Kernan-Shepard Commission.

Indiana Democrat Chairman Dan Parker said, "After campaigning in 2004 to eliminate property taxes, Mitch Daniels has ignored the issue since he took office. Now he's finally decided to call on Democrats to help him out. Gov. Joe Kernan has long been committed to local government and property tax reform, and his expertise is second to none."

But what was striking is that other than Parker, Peterson and Bauer, there was virtually no legislative Democratic reaction. None of the party's gubernatorial candidates commented. It underscored the continuing notion that the loyal opposition is idea challenged.

To which it is important to note, the Kernan-Shepard Commission's findings will be fodder for any candidate and legislator to use in the 2008 General Assembly and election. ❖



## Howard County GOP chief defends Dan Burton

By **BRIAN A. HOWEY**

KOKOMO - Howard County Republican Chairman Craig Dunn is tired of what he calls the "one-sided assault" on U.S. Rep. Dan Burton.

"It is with great concern that I have been reading the one-sided assault on the work of Congressman Burton and the unchallenged assertions and claims by John McGoff," Dunn wrote HPR. "I personally have no problems with Dr. McGoff and someday he might be ready for higher political office. However, I cannot shake my current belief that Dr. McGoff is a candidate in search of an office. There is an appearance of and a widely held belief among the Republican leadership in the Fifth District that Dr. McGoff only decided to declare for the Congressional seat after Congressman Burton's missed votes incident. In fact, as noted in your excellent digest, Dr. McGoff intends to spend about 90% of his campaign talking about the missed votes. Is this really what this campaign should be about? I believe that Dr. McGoff wants the public and the Indianapolis Star to focus on this issue and not on the other salient issues involving the defeat of Dan Burton."



Rep. Dan (left) and Woody Burton.

Dunn said he believes that Burton and McGoff will vote almost the same. It is an assertion that McGoff told both Dunn and HPR.

Dunn is concerned that electing McGoff will forfeit the seniority that Burton has built up. "He will not be as influential as Congressman Burton."

And Dunn said, "John McGoff will be unable to support the Republican Party and its candidates as Dan Burton has over the years. McGoff also verified this fact. I asked him point blank, 'So your platform is that you will play less golf? And we should replace Dan Burton because of this?'"

Dunn said, "At this point Dr. McGoff intimated that he knew he was facing an uphill battle and that he was positioning himself for the future when Dan Burton decides not to run. I doubt Dr. McGoff's commitment to this race.

If he is running for 2010 or 2012, he should state this fact.

The Howard County chairman said that the press has been good at pointing out Burton's campaign problems. "No one yet has pointed out that McGoff failed to hit his \$200,000 fundraising goal nor has anyone pointed out that he has spent over half of his campaign resources," Dunn said. "These are critical facts to those of us who constantly evaluate political races." As of June 30, Burton reported \$836,383 in the bank, which includes \$74,000 left over from previous campaigns. McGoff has \$115,162 on hand.

Dunn noted that Burton excels in constituent service. "The ability of his staff to help constituents navigate the perilous and imposing oceans of Federal red tape is incredible," Dunn said. "I can relate one recent outstanding example of constituent service. Bona Vista Programs, an agency in Kokomo for the mentally and physically challenged had long been trying to get their industrial services division an opportunity to bid on government contracts. Congressman Burton was asked to help the agency get the government's ear. He directed his staff to make the appropriate contacts with the U.S. Military, arranged a meeting at Crane Naval and secured an opportunity for the agency to bid on a project. Bona Vista won the competitive bid." ❖

### Congressional District 2: Republican:

Kokomo Controller Phil Williams. Democrat: U.S. Rep. Joe Donnelly. **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. **People:** Urban/rural 73/27%; median income \$40,381; Poverty 9.5%; Race 84% white, 8% black; 5 Hispanic; Blue/white collar: 34/50%. **2002 Result:** Chocola 95,081 (50%), Long Thompson 86,253 (46%); **2004 Result:** Chocola 140,496 (54%) Donnelly (D) 115,513 (45%) **2006 Result:** Donnelly 103,561, Chocola 88,300. **2008 Forecast:** Donnelly reported raising \$302,000 during this year's second quarter, \$646,000 for the year and had \$411,000 left in his campaign account as July began. **Status:** LIKELY DONNELLY

### Congressional District 3: Republican: U.S. Rep.

Mark Souder. Democrat: Michael Montagano. **Geography:** Fort Wayne, Goshen; Kosciusko, Whitley, LaGrange, Steuben, DeKalb and parts of Elkhart and Allen counties. **Media Market:** South Bend-Elkhart, Fort Wayne. **People:** Urban/rural 65/35%; median income \$44,013; Race: 87% white, 6% black, 4.5% Hispanic; Blue/white collar: 36/52% **2004 Result:** Souder, Parra 2004 Results: Souder 171,389 (69%), Parra 76,232 (31%). **2006 Result:** Souder 95,421, Hayhurst (D) 80,357. **2008 Forecast:** If



there was a surprise in the June 30 FEC reports, it was the money coming into this race. Montagano reported \$112,000, including \$31,000 in loans from himself, and had \$106,000 on hand, which is a healthy amount for a mostly unknown candidate. Souder is also uncharacteristically active on the fund raising front, raising \$83,000 with \$92,000 in the bank. **Status:** LIKELY SOUDER

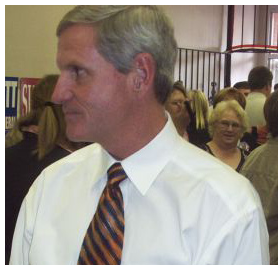
**Congressional District 4: Republican:**

U.S. Rep. Steve Buyer. Democrat: Nels J. Ackerson.

**Geography: 2008 Forecast:** Property rights lawyer and developer Nels J. Ackerson said Friday he will file today to run as a Democrat (**Indianapolis Star**). "The 63-year-old Zionsville resident said he's concerned about the nation's entry and conduct of the war in Iraq, and about domestic issues. "I don't like some of the positions by people in both parties in Washington," he said. "So I've had supporters encourage me to run to give Washington a little adult supervision," he quipped. **Status:** LIKELY BUYER

**Congressional District 9:** Republican: Mike Sodrel, Todd Young. Democrat: U.S. Rep. Baron Hill.

**Media Market:** Evansville (11%), Indianapolis (23%), Louisville (55%), Dayton, Cincinnati (10 percent). **People:** urban/rural 52/48%, median income \$39,011; race white 94%, 2.3% black, 1.5% Hispanic; blue/white collar: 34/50%; **2000 Presidential:** Bush 56%, Gore 42%; Cook Partisan Voting Index: R+8. **2004 Presidential:** Bush 59%, Kerry 40%. **2002 Results:** Hill 96,654 (51%), Sodrel 87,169 (46%). **2006 Results:** Hill 110,455, Sodrel 100,469, Schansburg 9,893. **2008 Forecast:** Hill filed a report Sunday showing that he'd raised more than \$322,000 between April 1 and June 30. The total this election cycle for the 9th District congressman is just less than \$700,000 (Mann, **News-Tribune**). According to the report, most of that money from the most recent quarter — about \$192,000 — came from political parties and political action committees. Another \$128,000 or so came from individual contributions. The contributions were made to Hill's primary campaign committee, known as "Hoosiers For Hill." About \$55,000 of that money went to the committee's operating costs during the last quarter. Counting in transactions from previous quarters, Hill is left with about \$543,000 of cash on hand. It is not clear whether Hill will face Todd Young or have a fourth race against former U.S. Rep. Mike Sodrel, who has indicated to Republicans in the 9th CD that he won't make a final decision until mid-February after the Feb. 5 super presidential primaries. **Status:** LEANS HILL.



Rep. Hill

## 2008 Indiana Governor

**Governor 2008:** Republican: Gov. Mitch Daniels.

Democrat: Senate Minority Leader Richard Young, Jim Schellinger, Jill Long Thompson. **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 Results:** Daniels (R) 1,302,912, Kernan (D) 1,113,900, Gividen (L) 31,644.

**2008 Forecast:** Campaign warchests have been revealed, with Gov. Daniels posting \$4.1 million, Schellinger at \$1.2 million, and Sen. Young at \$70,000. Thompson has just commenced her fundraising. Daniels raised \$2.7 million during the first half of

the year. Schellinger reported 666 donors, including 514 individuals. Young moved \$12,000 from his Senate campaign to his gubernatorial campaign. His campaign says he is picking up his money pace, spending five hours a day on the phone.

**Washington Post** blogger Chris Cillizza, who will keynote the HPR Forum on Oct. 23, has this race as No. 4 on his top five gubernatorial races. His observations: Count us impressed by Indianapolis architect Jim Schellinger's (D) early fundraising returns. He announced late last month that he had raised \$1 million in the first few months of his campaign -- a solid total for a first time candidate and a reflection of Schellinger's institutional support. Schellinger will face a real primary challenge in the form of former Rep. Jill Long Thompson (D) who formally entered the



Sen. Young

race earlier this week. Thompson starts in a fundraising hole but support from the powerhouse money-bundling group EMILY's List should help her be competitive. Gov. Mitch Daniels (R) will run a competent and well-financed campaign but it's clear that voters in the state are at least willing to consider alternatives. If Schellinger is the nominee, this could be a barn burner, (Previous ranking: 4)

Democratic Party Chairman Dan Parker is still looking for consolidation - of the party's gubernatorial field. "I'm still hopeful we can coalesce behind one candidate," he said. "To beat Mitch Daniels, we have to be unified. And a divisive primary is not going to be helpful in reaching the ultimate goal."

**Democratic Primary Status:** TOSSUP. **General Status:** Leans Daniels. ❖







## Warner-Lugar amendment put on hold in Iraq debate

*Partisan gridlock, White House intransigence undermine planning Lugar seeks*

**By MARK SCHOEFF JR.**

WASHINGTON - A bill that would have served as a vehicle for debate about Iraq policy was pulled off the Senate floor on Wednesday, a move that could freeze the administration and congressional critics in their positions on the war until September, when a report is due from the top U.S. commander in the country.

That outcome is what Sen. Richard Lugar sought to avoid with an amendment that called for the Bush administration to start planning now to change course following the September report, including reducing and redeploying U.S. troops.

But that legislation, which Lugar introduced with Sen. John Warner (R-Virginia), along with many other amendments is in limbo. Senate Majority Leader Harry Reid has suspended Senate work on a defense authorization bill after the successful filibuster of an amendment that would have set an April withdrawal deadline.

That measure, sponsored by Sens. Carl Levin (D-Michigan) and Jack Reed (D-Rhode Island), fell seven votes short of the 60 required to end debate and move to a final vote. Democrats, including Sen. Evan Bayh, supported Levin-Reed while most Republicans, including Lugar, opposed it.

It's not clear whether Reid will revive the underlying defense bill before the August congressional recess or will wait until September. Programs included in the legislation have to be renewed by Sept. 30.

Whenever the bill returns, change in Iraq policy may be inevitable. Lugar and Warner offered their amendment to require President Bush to prepare for such an outcome. In a June 25 speech on the Senate floor, Lugar said Bush's surge strategy is ineffective and

urged the administration to downsize the military in Iraq and put more emphasis on diplomacy and economic policy in the region.

Lugar and Warner didn't attempt to mediate between surge advocates and those who want complete withdrawal. But their amendment does mandate that the administration present contingency plans to Congress by Oct. 16 and start implementing them by Dec. 31.

The amendment also calls for a revised congressional authorization for the U.S. presence in Iraq and recommends a regular diplomatic forum on Iraq involving its Middle East neighbors, including Syria and Iran.

"We want to avoid a drift in Iraq policy that continually references the next report or milestone, even as the fundamental conditions of our intervention in Iraq remain extremely problematic and hazardous,"

Lugar said in a July 13 Senate floor speech.

The truncated debate didn't allow time to determine how much support Lugar's approach would receive. For now, political conflict is winning out over contingency



planning.

Democrats, spurred in part by grassroots organizations demanding an end to the war, were united in supporting a strict withdrawal deadline. They held the Senate in session all night on Tuesday to try to force the GOP to give in.

"They are more interested in protecting the president than in protecting our troops," Reid said of Republicans.

Republicans were just as strenuous in opposing a withdrawal deadline. "It's a clear indication that a proposal to try to micromanage the surge before it's hardly begun is not going to pass in the Senate," said Senate Minority Leader Mitch McConnell.

Where this leaves the Warner-Lugar proposal is unclear. Sen. Ken Salazar, D-Colorado, said that the amendment would have to embrace more explicitly the recommendations of the Iraq Study Group to garner Democratic support.

"If there are changes to it, it might be pos-



sible," he said after Wednesday's vote. Salazar has offered his own amendment, which would codify the panel's work. The group, co-chaired by former Hoosier Rep. Lee Hamilton, called for a redeployment of U.S. troops in Iraq and a bigger emphasis on diplomacy.

Sen. Susan Collins, R-Maine, is a moderate Republican whose votes could be crucial during the Senate debate. Collins, who voted to end the filibuster but doesn't support Levin-Reed, says she likes both the Warner-Lugar and Salazar proposals.

**"I prefer Salazar because** I think it's more comprehensive," she said. "I think the Warner-Lugar proposal is also worthwhile." She offered her own amendment, too.

Sen. Norm Coleman, R-Minnesota, praised the Warner-Lugar approach for looking ahead. "Warner-Lugar was simply good advice (to) think through your options today," he said. "That's what didn't happen with Levin-Reed. There was no discussion of the consequences of this."

Coleman questioned why Bush didn't weigh in.

"Warner-Lugar was an amendment the administration should have been supporting," he said.

It's uncertain whether Bush will have a chance to back Warner-Lugar in September, according to Sen. Chuck Hagel, R-Nebraska.

**Hagel, who voted to end** the filibuster and supports Levin-Reed, argued that rapidly changing conditions in Iraq will affect the political debate in the United States. By September, the situation may have changed so much that today's ideas won't apply to the reality on the ground.

"I don't know if Warner-Lugar will be relevant," he said at a Capitol Hill forum on Wednesday sponsored by the Cato Institute. "I don't know that Reed-Levin will be relevant."

But planning ahead will not go out of fashion, according to Coleman. "We need to understand the consequences of our actions," he said. "That wasn't done on (the Levin-Reed) bill. I hope it's done before September." ❖

## Nunn-Lugar Update

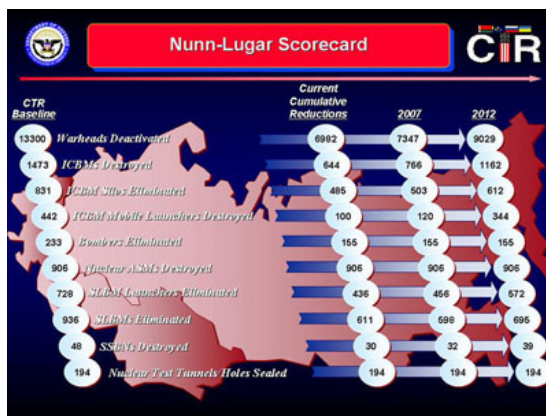
WASHINGTON - U.S. Sen. Dick Lugar announced the following progress in the Nunn-Lugar Cooperative Threat Reduction program for June 2007:

7 Intercontinental ballistic missiles (ICBMs) destroyed; 1 Intercontinental ballistic missile (ICBM) mobile launcher destroyed; 1 Submarine launched ballistic missile (SLBM) eliminated; 3 train shipments of nuclear weapons were sent to safe and secure storage

In November 1991, Lugar (R-IN) and former Sen. Sam Nunn (D-GA) authored the Nunn-Lugar Act, which established the Cooperative Threat Reduction Program. This program has provided U.S. funding and expertise to help the former Soviet Union safeguard and dismantle its enormous stockpiles of nuclear, chemical and biological weapons, related materials, and delivery systems. In 2003, Congress adopted the Nunn-Lugar Expansion Act, which authorized the Nunn-Lugar program to operate outside the former Soviet Union to address proliferation threats. In 2004, Nunn-Lugar funds were committed for the first time outside of the former Soviet Union to destroy chemical weapons in Albania, under a Lugar-led expansion of the program.

Lugar and Nunn will spend a week in late August in Russia and Kazakhstan reviewing the progress while observing the 15th anniversary of the program. **HPR** in conjunction with **Indianapolis Monthly Magazine** will offer exclusive coverage of the trip.

The Nunn-Lugar scorecard now totals 6,982 strategic nuclear warheads deactivated, 651 intercontinental ballistic missiles (ICBMs) destroyed, 485 ICBM silos eliminated, 101 ICBM mobile launchers destroyed, 612 submarine launched ballistic missiles (SLBMs) eliminated, 436 SLBM launchers eliminated, 30 nuclear submarines capable of launching ballistic missiles destroyed, 155 bomber eliminated, 906 nuclear air-to-surface missiles (ASMs) destroyed, 194 nuclear test tunnels eliminated, 351 nuclear weapons transport train shipments, 12 nuclear weapons storage site security upgrades, and 9 biological monitoring stations built and equipped. Perhaps most importantly, Ukraine, Belarus and Kazakhstan are nuclear weapons free as a result of cooperative efforts under the Nunn-Lugar program. Those countries were the third, fourth and eighth largest nuclear weapons powers in the world.



Beyond nuclear elimination, the Nunn-Lugar program secures and destroys chemical weapons and biological weapons, and has worked to reemploy scientists and facilities related to weapons of mass destruction in peaceful research initiatives. The International Science and Technology Centers, of which the United States is the leading sponsor, engaged 58,000 former weapons scientists in peaceful work. The International Proliferation Prevention Program has funded 750 projects involving 14,000 former weapons scientists and created some 580 new peaceful high-tech jobs. ❖



## THE BOAR'S NEST

### *Murphy elected YR chief*

By **BEVERLY PHILLIPS**

**Glenn Murphy, Jr.**, of Utica has been elected National Chairman of the Young Republican National Federation at their biennial convention in South Florida. More than 600 Young Republican leaders from around the country and more than 400 voting delegates converged on Hollywood, Florida to elect new national officers and hear from Republican Presidential contenders and Republican Party leaders. Murphy headed a slate of 13 executive candidates calling themselves "Team Murphy." With a vote of 440-0, Murphy and his team sealed victory on a nine-month national campaign. "We traveled from Portland, Oregon to Portland, Maine, crisscrossing the nation, listening to Young Republicans and young voters," Murphy said. "The youth vote is engaged and could determine the winners of the 2008 elections. Our team will make sure that Young Republicans are mobilized and ready for a nationwide campaign for the hearts and minds of America's youth."

### **In Case You Were Wondering ...**

We're told that a citizen complained about the baring of breasts by a drag queen at last month's Indy Pride parade and festival held in Indianapolis. The event raised hackles from Indiana family groups when Gov. **Mitch Daniels**, Secretary of State **Todd Rokita** and State Rep. **Jon Elrod** either wrote letters of greetings or had booths at the event. No one was criminally charged following prosecutorial research of Indiana's nudity laws. In case you were wondering, the law only applies to the showing of female breasts that actually are attached to a real woman. But cross-dressing in Indiana isn't just limited

to the boys of Indy Pride. The **Anderson Herald-Bulletin** reports in today's edition that last week, more than a few hetero-cowboys donned lipstick and mini-skirts to raise money for the Madison 4-H Horse and Pony clubs. Organizers say due to losing a major corporate sponsor, they were challenged to find new ways to raise money. "This stinks," said **Kody Lewis**, batting long, fake black eyelashes. "I think it's funny, though. It's for a good cause. I'm not embarrassed; it's all in fun."

### **TeleResearch good to poll**

Our good friend and pollster **Jeff Lewis** of TeleResearch Corp. is now conducting business in Indiana again. Attorney General Steve Carter had originally ruled that his no-call list applied to TeleResearch's polling. But **Marc Carmichael** of the Indiana Beverage Alliance, **Ed Roberts** of Indiana Manufacturers and **Bruce Munson** made a case before the AG last May on behalf of TeleResearch. The Indiana Manufacturers, Indiana Beverage Alliance say they believe TeleResearch's activities do not violate Indiana Code and will use TeleResearch services, as will HPR.

### **Lessons from Beslan**

One of the featured speakers at a September law enforcement conference in Indianapolis is **John Giduck**, an expert on Russian culture and terrorism. The annual two-day conference is hosted by the United States Attorneys Office (Southern District) and free to law enforcement officers and prosecutors. Giduck recently published "**Terror at Beslan**" based upon the 2004 terrorist attack at a public school in Beslan, Russia. The book dissects the well-planned and heart-wrenching attack by approximately 30 Islamic terrorists who tortured 1,200 hostages over the course of three days. It's estimated that 176 of the 330 people who died were children. Many say Beslan was a defining event for Russia in the same way that 9/11 affected U.S. culture. Giduck was one of a few U.S. antiterrorist experts allowed on the scene immediately following the attack. He uses the lessons learned from Beslan to train school administrators, law enforcement and the military in anti-terror operations. ❖



Men in drag ... at the Gay Pride parade (top) and the Madison County 4-H Fair (below)

**Got a tip for the Boar's Nest? Send it to: [phillipsgroup@comcast.net](mailto:phillipsgroup@comcast.net)**



## Hillary finds Hoosier money

WASHINGTON - Hillary Clinton received half the money Hoosier Democrats donated to the seven candidates, according to Sylvia Smith of the **Fort Wayne Journal Gazette**. From April through June she took in almost as much as the top two Republicans – Mitt Romney and Rudy Giuliani – put together (Smith, **Fort Wayne Journal Gazette**). Clinton was the only major candidate who attended a fundraiser in the state during the three months covered by the candidates' most recent reports on their campaign fund-raising and spending. Since April 1, Hoosiers have sent nearly \$474,000 to 17 candidates who are running for the Democratic and Republican presidential nominations. Only a tiny fraction of the state's voters – about 500 – have weighed in on the process. Their favorites, measured by campaign contributions, are slightly out of sync with the rest of the country. The six Democratic candidates collected \$270,000 from 290 donors. The 10 GOP contenders collected \$204,000 from 217 Hoosier contributors. Clinton raised \$132,000 from 101 donors, according to a report she filed with the Federal Election Commission and analyzed by the agency at the nonpartisan

PolicalMoneyLine. Barack Obama was the second choice of state Democrats, who gave him \$67,000. Romney raised \$70,020 from 66 Indiana residents, slightly more than Giuliani, who received \$69,000 from 36 Hoosiers. Sen. John McCain raised \$36,000 from 57 Hoosier Republicans. Democrat John Edwards raised \$32,000 from 48 Hoosiers.

**HOGSETT TO HEAD CLINTON CAMPAIGN:** The Clinton Campaign announced the endorsement of former Indiana Secretary of State Joseph Hogsett and named him a Chair of Hillary's Indiana campaign (**Blue Indiana**). "The people of Indiana are ready for change, and Hillary Clinton has the strength and experience to deliver it from her first day in the White House," Hogsett said. "I am honored that Joe will help lead our efforts in Indiana," Clinton said. "With his help, we'll bring our message of change across the Hoosier State and the nation." The key element here is that Hogsett has been a close ally of U.S. Sen. Evan Bayh for the past two decades, furthering speculation that the senator will likely endorse her. Bayh had a \$1,000 fundraiser at R Bistro in downtown Indianapolis this past week, still padding his PAC that could help him make the veepstakes. ❖

## 2008 Presidential Polls

Republican	Date	Giuliani	McCain	Thompson	Romney	Comp. Spread
Zogby	05/17 - 05/20	26%	13%	10%	10%	Giuliani +13%
<b>Gallup</b>	<b>07/06 - 07/08</b>	<b>30%</b>	<b>12%</b>	<b>20%</b>	<b>9%</b>	<b>Giuliani +10%</b>
<b>Rasmussen</b>	<b>06/11 - 06/14</b>	<b>24%</b>	<b>12%</b>	<b>27%</b>	<b>13%</b>	<b>Thomps +3%</b>
<b>CNN</b>	<b>06/22 - 06/24</b>	<b>30%</b>	<b>18%</b>	<b>19%</b>	<b>9%</b>	<b>Giuliani +11%</b>
Cook/RT	05/11 - 05/13	26%	24%	9%	9%	Giuliani+2%
FOX News	06/05 - 06/06	22%	13%	15%	10%	Giuliani +7%
Pew Research	03/21 - 03/25	33%	23%	--%	8%	Giuliani +10
LA Times/Bloom	06/07 - 06/10	27%	12%	21%	10%	Giuliani +6%
NBC/WSJ	06/08 - 06/11	29%	20%	14%	14%	Giuliani +9%
Democrat	Date	Clinton	Obama	Edwards	Gore	Comp. Spread
Zogby	05/17 - 05/20	39%	24%	11%	--	Clinton +15%
<b>Gallup</b>	<b>07/06 - 07/08</b>	<b>37%</b>	<b>21%</b>	<b>13%</b>	<b>16%</b>	<b>Clinton +16%</b>
<b>Rasmussen</b>	<b>06/25 - 06/28</b>	<b>39%</b>	<b>26%</b>	<b>13%</b>	--	<b>Clinton +13%</b>
Time	04/05 - 04/09	33%	26%	25%	--%	Clinton +7%
<b>CNN</b>	<b>06/22 - 06/24</b>	<b>35%</b>	<b>23%</b>	<b>13%</b>	<b>16%</b>	<b>Clinton +12%</b>
Cook/RT	05/11 - 05/13	32%	24%	13%	10%	Clinton +8%
FOX News	06/05 - 06/06	36%	23%	12%	14%	Clinton +13%
LA Times/Bloom	06/07 - 06/10	33%	22%	8%	15%	Clinton +11%
NBC/WSJ	06/08 - 06/11	39%	25%	15%	--	Clinton +14%

**Hoosier Support: Giuliani:** Marion County Prosecutor Carl Brizzi, Stephen Goldsmith, Tim Durham, Beurt SerVaas, Steve Hilbert. **McCain:** Gov. Mitch Daniels; Attorney General Steve Carter. **Romney:** Secretary of State Todd Rokita, James Bopp Jr., Dan Dumezich, Bob Grand, Chris Chocola. **Thompson:** U.S. Rep. Steve Buyer, U.S. Rep. Dan Burton, David McIntosh, Mike McDaniel, Rex Early. **Clinton:** Joe Hogsett, Mel Simon, Bren Simon. **Edwards:** Robin Winston, Ann & Ed DeLaney, 9th CD Chair Mike Jones, State Reps. Russ Stilwell, Dennie Oxley, Terri Austin, Terry Goodin, Sheila Klinker, Linda Lawson and Scott Pelath; Robert Kuzman, Greencastle Mayor Nancy Michael, Bill Moreau Jr., Shaw Friedman, Vanderburgh Co. Chairman Mark Owen, 8th CD Vice Chair Mary Lou Terrell, Greg Hahn, Bruce Kehoe. **Obama:** Kip Tew, State Rep. Charlie Brown, Melina Kennedy, State Rep. Mae Dickinson, State Rep. Bill Crawford, State Rep. Jeb Bardon, State Sen. Earline Rogers, Frank Short, Jack Wicks, Andy Miller, John Fernandez, Dennis Lee. ❖



**Leslie Stedmen Weidenbener, Louisville Courier-Journal** - Just a week ago in this column, I advised homeowners not to look for a special session this summer to deal with projected -- and in some counties actual -- property tax increases. So I felt pretty silly the very next day when Gov. Mitch Daniels said in a statement that he was talking with legislative leaders about calling them back to the Statehouse. I was, frankly, unprepared for the governor to be so moved by the uproar among homeowners in Indianapolis, where the average tax increase appears to be higher than the projected 24 percent and in some cases has doubled or tripled tax bills. That's not to say I think the governor doesn't care about Hoosier homeowners. But he had shown little sympathy for their plight early this year when -- despite projections for property-tax increases -- he proposed to limit property-tax replacement credits, which are the dollars the state pays to local governments to keep property-tax bills lower. ❖

**Rich James, Post-Tribune** - And you thought George Bush had problems. Can there be many left in Indiana with the chutzpah to put a "My Man Mitch" sticker on their bumpers? Daniels might as well leave RV1 parked in the garage. There won't be many clamoring to put their signatures on the political express that was his trademark the first time around. The man who took Indiana by storm is about to pay for his fury. Hoosiers don't like people messing with the status quo. While there is a good bit of truth to all of the above, don't order the casket quite yet. And, while Indiana Democrats may think Daniels is ripe for the picking, they'll learn differently when it comes time to harvest the 2008 crop. Mitch Daniels will win re-election, maybe in a cakewalk. Mitch may have some Hoosiers grouching, but this is still Indiana -- a bastion of Republican conservatism. Yeah, I know, the last two men elected governor were Democrats -- Evan Bayh and Frank O'Bannon. Mitch, too, is building his legacy as a no-nonsense governor. He's made some enemies along the way, but he's kept in touch with Hoosiers the last 2 and a half years, just as he did with RV1 before election. Some central Indiana folks may be upset about the time thing. And the same can be said about the Toll Road and some people in northern Indiana. But that bit of ill-will, which lessens with each passing day, won't be enough to do in Daniels. The only way he could be vulnerable is if there was another Bayh or O'Bannon on the horizon. There isn't. ❖

**Jack Colwell, South Bend Tribune** - Congressman Joe Donnelly likens the situation in Iraq to a deadly poker game between the Shiites and the Sunnis: Each side thinks it holds the winning hand for eventual domination. Neither is interested now in accommodation,

stabilization or meeting benchmarks. "Our kids (troops) are in the middle of a civil war," says Donnelly. As a result, Donnelly contends, it's time to conclude that a military solution from a buildup surge won't work and the number of troops caught in the middle should be reduced, with deployment elsewhere in the Middle East. Donnelly describes his views as similar to those of Sen. Richard G. Lugar, the Indiana Republican, who shook up Washington with a speech describing President Bush's surge as ill-fated and risking disaster. Donnelly traveled earlier this month to Iraq. And even before Lugar's speech, Donnelly had a long talk with Lugar to hear the views of the man long regarded as one of the most respected spokesmen in the Senate on foreign affairs. Those views will not please war critics calling for a quick withdrawal of troops nor defenders of the president's call for patience with a continuing surge. "We can't just leave," Donnelly says. Why? "There would be an unbelievable bloodbath, with half a million to a million killed if we left now." Whether or not the invasion of Iraq was justified, this country did invade. Donnelly contends, "we have an obligation" to try to prevent that bloodbath and also a need to halt the spread of chaos in the Middle East. ❖

**Gary Gerard, Warsaw Times-Union** - I am thoroughly conflicted with regard to the Iraq debate. The conflict in my head grows out of the sobering realization that the debate is between the lesser of two quite depressing evils - staying or leaving. Basically, it boils down to whether or not we should accept defeat in Iraq. I know politicians will never admit that - they won't characterize a policy of troop withdrawal as a defeat - but that's what it is. It doesn't matter how politicians perceive it. It doesn't matter how Americans perceive it. What matters is how al-Qaida and its supporters perceive it. And they will - without a doubt - perceive it as a glorious victory over the Great Satan of the West (That's us.). To me, that's what the debate is all about. Are we willing to concede defeat to al-Qaida? Because if we set up a timetable and pull out our troops in a few months, al-Qaida will claim victory. It may well be a hollow claim, but it doesn't matter - it will be their claim nonetheless. And if we do pull out of Iraq, it's not like the Iraq War will end. Quite the contrary. I'm afraid if we pull out of Iraq, the war will expand. I'm afraid Iraq will become a base of operations for al-Qaida, whose numbers will grow exponentially after their "glorious victory." Success is a wonderful recruiting tool. Al-Qaida could very well wind up running Iraq. Iraq has truly become one of the most vexing problems of a generation. And I'm sure years from now when historians weigh in, they will call it one of the worst foreign policy blunders. I don't relish the thought of losing the war in Iraq, but at the same time, I'm not sure we can really win, either. ❖





## FSSA breaks foodstamp rules say Feds

WASHINGTON - Indiana's roll-out of its privatized welfare program has broken federal food stamp rules in some cases by bypassing state employees, and a key official has ordered steps including more training for state workers, saying their jobs are at stake (**Associated Press**).



In a letter dated Monday to the Family and Social Services Administration, the Midwest chief for the food stamp program said his staff had observed clients applying for the benefits without talking to state employees, as required by federal rules.

Indiana risks losing millions of dollars in federal funds if it does not fix the problem. The letter from Ollice Holden, regional administrator for the U.S. Food and Nutrition Service, gave FSSA 15 days to submit a plan to fix the problem. Privatizing the eligibility process for food stamps, Medicaid and welfare benefits, means employees of Affiliated Computer Services Inc. now are processing applications for benefits. But FSSA employees still must interview clients and make the final call on the awarding of food stamps. Out of 11 cases observed by federal overseers, clients did not meet with state employees in six instances, said the letter, obtained by The Associated Press. Zach Main, director of FSSA's Division of Family Resources, responded to Holden's letter by ordering more training for workers in county welfare offices.

## Vanderburgh assessor seeks tax changes

EVANSVILLE - Vanderburgh County Assessor Jonathan Weaver urged state legislators on Wednesday

to consider changes in tax laws to help homeowners burdened by steep property tax increases. "It looks like we have some differences of opinions, but they know what taxpayers are feeling on the subject," Weaver said. "Now, it's up to them whether they want to take them up to Indy and get something done." Attending the meeting were state Reps. Trent Van Haaften, Phil Hoy and Dennis Avery and state Sen. Bob Deig, all Democrats. Weaver presented them with several options. Weaver, drawing from requests from the public, asked legislators to consider loosening the March 1 deadline to qualify for deductions, a veterans deduction, standard deduction decreases and mortgages deduction increases. Weaver also said some people have expressed concerns with the over 65 exemption and residential rental property.

## Indiana gets \$26 million in homeland security funds

INDIANAPOLIS - Indiana will receive additional federal homeland security funds to continue to improve radio communications between public safety agencies, officials announced Wednesday (**Indianapolis Star**). Indianapolis will get about \$7.7 million, and the rest of the state will get about \$18.3 million. The total is roughly a 10 percent increase from last year's funding. said J. Eric Dietz, director of the India

## Cedar Lake Council opposes income tax

CEDAR LAKE - A move to oppose a Lake County personal income tax received the Town Council's backing Tuesday, but it wasn't a united front (**Times of Northwest Indiana**). Council Vice President Charlie Kaper, R-2nd, made the motion to oppose the tax, and it was seconded by Councilman Dennis Wilkening, D-5th. Council President Robert Carnahan, R-1st, and Councilman Jerry Reiling, R-4th, voted in favor of the motion.

"We're all paying more now," Reiling said. "We don't need to pay even more."

## Tax assessments rile North Lake County

HAMMOND - Property owners are complaining their latest property tax assessments are all over the map in north Lake County (**Times of Northwest Indiana**). "They screwed up," JoAnn Palko, of Hammond's Robertsdale section, said Wednesday after getting a slip of paper from the North Township assessor's office informing her that her 1,800-square-foot, wood-frame home had jumped in value from \$127,000 to \$220,000. "I have no pool, no sidewalk. It's their mistake." George Rogge, president of Gary's Miller Citizens Corp. said members of his community are equally perplexed. Rogge said he has heard from Miller residents whose assessed values rose three, five and in one case, nine times, higher than last year's values.

## Three schools pass on FDK

PORTAGE - Full-day kindergarten will not be offered at three Portage Township schools due to underfunded state grants and not qualifying for federal funds, Ric Frataccia, assistant superintendent, told the School Board on Wednesday (**Times of Northwest Indiana**). Students at Jones, Kyle and Myers elementaries will not be offered the program because those schools do not receive federal Title 1 funding.

## Córdova talks of first week at Purdue helm

WEST LAFAYETTE - President France Córdova might also be professor France Córdova if she gets her way (**Lafayette Journal & Courier**). Córdova, in her first week as president at Purdue University, said she wants to teach classes, something she's done as an administrator at other schools.

