



Context in misappropriated funds

221 cases in 4 years reveals relative good character of Indiana local government

By **BRIAN A. HOWEY**

INDIANAPOLIS – Misty Buck was a deputy clerk in the Muncie clerk’s office and failed to deposit \$11,325.50.

Brittany Cohee of the Benton Township trustee’s office in Monroe County made \$2,370 overpayments of salary.

Chandler Clerk-Treasurer Timothy D. Osha rolled up \$143,010.36 in personal expenses on credit cards, personal property use, penalties and interest and audit costs.

Bunker Hill Town Court Judge Melvin Smith didn’t make deposits of \$37,052.50, including speeding tickets some of you might have incurred on U.S. 31 in Miami County.

Supt. Marion Chapman of Cannelton School Corporation rolled up \$615,586.55 misappropriated compensation and benefits and improper handling of a trust fund principal.

Melody Buchanan, deputy clerk-treasurer of West Terre Haute, was responsible for \$463,752.19 in missing collections.

Debbie Deitrich was a cafeteria employee at Logansport Memorial Hospital responsible for \$60,403.24 in

missing cafeteria receipts.

These public servants are part of a rogues gallery

Continued on page 3

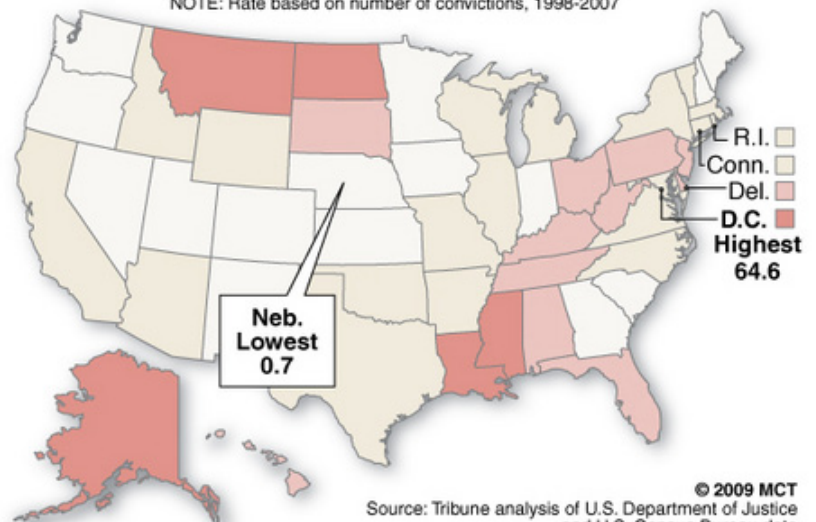
Most corrupt states

Louisiana, which has a storied history of corruption, ranks third behind North Dakota and Washington, D.C., as most corrupt.

Federal public corruption convictions per 100,000 residents

Legend: Less than 2, 2.0-3.9, 4.0-5.9, 6 or more

NOTE: Rate based on number of convictions, 1998-2007



NOTE: Alaska and Hawaii are not to scale

© 2009 MCT
Source: Tribune analysis of U.S. Department of Justice and U.S. Census Bureau data
Graphic: Adam Zoll and Phil Geib, Chicago Tribune

Support for life after birth

By **CRAIG DUNN**

KOKOMO – This column is not about advocating for a position regarding the issue of abortion. That is not a minefield that I care to cross at this time.



This column is directed at pro-life advocates in our government who are under the lamentable belief that the issue stops at the point of birth. They seem to labor under a thought process that says, “If you have an unwanted pregnancy, have the baby.”

“If you have been told that



“We will have to keep wrestling with this octopus until it gets tired.”

- The late Gary Mayor Rudy Clay, on cutting \$13 million from the city budget



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you will have a baby with congenital birth defects, have the baby."

"If you've been raped and are pregnant, have the baby."

Then, when the baby arrives, their attitude transforms to, "It's your problem, deal with it!"

Politicians postulate all of the time about creating environments for success. They talk about creating a tax structure that will make our state more attractive for business development and expansion. They introduce bills to make certain industries more lucrative in the name of jobs. They build sports stadiums and induce professional teams to locate in them in an effort to make their community "world class."

They spend to build jogging paths, bike trails, swimming pools, concert halls and parks to improve the "quality of life" for their citizens.

But what about the "quality of life" for the newly born child with a birth defect or disability, the mother struggling to find childcare so she can work, the mentally or physically impaired adult who has lost their support system or the couple struggling through the expensive morass of the adoption process?

I believe that many well-meaning politicians care more about the quality of life in the womb than the quality of life after birth. It is a problem that must be addressed.

There are many reasons why a woman chooses to have an abortion. There are selfish reasons such as an inconvenient lifestyle change. Many times, the father of the child has disappeared and the mother does not feel that she can bear the time and financial demands of single motherhood. There are issues of pain and grief with a pregnancy resulting from rape.

Science has progressed to a point of recognizing birth defects in the womb and confronting the parents with the difficult decision of whether or not to terminate the pregnancy.

They intuitively know that their child will be different, be treated differently, be more expensive and be more difficult to raise and will present challenges when it reaches adulthood. Their dreams of sports stars, rocket scientists and cheerleader beauty queens go up in smoke.

I am the father of four children so I can speak with some authority on this subject.

Children are scary!

They make constant demands to be fed, clothed, entertained, educated, coached and nurtured. It is a darn difficult job when they are healthy and have loving parents with good jobs. I can only imagine how terrifying the prospect of raising a child in a single parent household, a child with a disability or a child in poverty can truly be.

Who cares about the quality of life of one of these children? What choices do they get to make?

Those who advocate for pro-life legislation, regulations and policy are duty bound to help create an atmosphere that is conducive to the birth, development, education and quality of life of children born with disabilities, children needing adoption or those born to a struggling single mother. We simply can no longer demand that a woman give birth to a baby and then feel no sense of responsibility for the well-being of the child.

We are a nation that has spent vast amounts of money over the years on every type of special interest handout known to man and lobbyist.

We have bailed out, handed out and stimulated with trillions of dollars. We have run up a staggering federal debt by spending funds on duplicative weapons systems, alternative energy boondoggles, massive federal government employment and programs of immense waste.

Yet we have failed to serve many of those who have been unfortunate enough to not be able to afford



a K Street or Statehouse lobbyist.

If we really want to dramatically reduce the number of abortions, we will take actions that support our words.

We will provide adequate pre-natal care, support infant nutrition programs, aid the adoption process, provide sufficient physical, occupational and speech therapy for those with disabilities, support special needs education, foster expanded child care programs for working mothers and support occupational and residential programs for adults with disabilities who are unable to work and live on their own.

I believe that it is just as important for the people, politicians and organizations whose goal is to make abortion illegal or extremely difficult to speak out for the babies who are born and the mothers who have made the decision to choose life.

Until we see an equal emphasis on postnatal quality of life issues, the divisive battle of our time will continue to be fought in legislatures and courtrooms and not in the hearts of scared pregnant girls and women. ❖

Dunn is chairman of the Howard County Republican Party.

Misappropriations, from page 1

which in combination misappropriated \$9,785,401 between 2009 and 2012, according to the office of the Indiana Attorney General. There is \$9,017,490 in original balances for audit report cases still open. They are part of what is called the civil prosecution of public corruption that included 142 cases between 2009 and 2012 during the Zoeller administration.

Another 29 cases have been filed as of last week in 2013, pushing the total to more than \$10 million. There have been 221 audit report cases, some of which did not result in civil litigation to recover funds. The amount still owed by defendants in currently open cases is \$8.8 million, according to AG spokesman Bryan Corbin.

Indiana has some 30,000 public employees, around 10,000 elected officials and 3,000 units of government, so 221 misappropriation cases over a four-year period is, in a way, good news. A fraction of 1% have been caught. And \$10 million in misappropriated funds in the context of more than \$40 billion in government funds is also heartening.

Of the more than 164 cases provided on a SBA spreadsheet provided by the Attorney General, 37 cases involved towns, 33 in school corporations, 26 in townships, 23 in cities, 20 in counties, 18 in

agencies and various districts (library and sewer), and 11 with the state.

The message for the tiny fraction of unscrupulous characters is that the State Board of Accounts, the two federal District Attorneys and the 92 county prosecutors are watching.

When the State Board of Accounts in a certified audit report finds that public money has been misappropriated from a local government office, the audit authorizes the Indiana Attorney General's Office to attempt to collect the amount in order to reimburse the public treasury. The attorney general's office does that by sending demand letters and then filing legal actions to freeze the assets of public officials and seeking civil judgments against them to

Top 10 Defendants By Current Balance Owed

Name	Entity	Position	County	Original Balance	Current Balance	Total Paid
Parrish, Christopher	Town of Chesterfield	Clerk-Treasurer	Madison	\$259,626.37	\$747,347.19	\$31,535.92
Chapman, Marion	Cannelton City School Corporation	Superintendent	Perry	\$615,586.55	\$615,586.55	\$0.00
Scott, David A.	Family and Social Services Administration	Employee	Marion	\$742,639.71	\$464,227.02	\$278,462.69
Buchanan, Melody	Town of West Terre Haute	Deputy Clerk-Treasurer	Vigo	\$463,752.19	\$463,752.19	\$0.00
Ashburn, Vickie	Town of West Terre Haute	Clerk-Treasurer	Vigo	\$441,932.13	\$441,932.12	\$0.00
Davison, Kay L.	Lagrange County Office of Family and Children, FSSA, DCS	Account Clerk	LaGrange	\$430,812.44	\$388,058.80	\$42,753.64
Hart, Melanie	Kendallville Housing Authority	Executive Director	Noble	\$435,998.73	\$335,998.73	\$100,000.00
Kirk, Kathy	Mitchell Community Schools	School Corporation Treasurer	Lawrence	\$110,889.59	\$333,468.77	\$0.00
Brown, Joseph	Town of Chesterfield	Police Officer	Madison	\$115,391.44	\$313,303.92	\$30,870.40
Crenshaw, Virilissa	Town of Merrillville court	Court Clerk	Lake	\$310,325.00	\$310,325.00	\$0.00

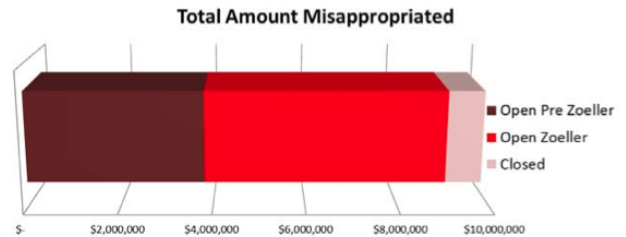


Total Amounts Misappropriated, as reported by State Board of Accounts certified audit reports

\$9,017,490 original balance, all audit report cases still open
 \$3,827,249 balance, audit report cases opened pre-Zoeller Administration, before January 2009
 \$5,190,241 balance, audit report cases opened during Zoeller Administration, January 2009 to September 2012

\$767,911 original balance, audit report cases now closed

\$9,785,401 total misappropriated



Total Amounts Collected, January 2009 to September 2012, through Attorney General's recovery efforts, lawsuits and bond recovery

\$1,727,570 open audit report cases
 \$1,077,810 open audit report cases pre-Zoeller
 \$ 649,760 open audit report cases Zoeller

\$671,8274 closed audit report cases

\$2,399,398 total collected*



*Funds repaid directly to a local government entity through criminal restitution are not included in this total.

require repayment. The attorney general's office also pursues any surety bonds or insurance policies covering public officials in order to recover funds that can be put toward reimbursement.

In 2009, the Indiana General Assembly at Attorney General Greg Zoeller's recommendation passed House Enrolled Act 1514-2009. It requires government officials to carry larger bond amounts – \$30,000 – to ensure there is something available to reimburse the public treasury if misappropriation occurs. It also allows the attorney general's office to intervene earlier in ongoing embezzlement situations, to freeze assets based on an SBA preliminary audit, if a final audit is not yet complete.

The charts above show the amounts misappropriated where audits were referred to the attorney general's office for collection – both before the Zoeller administration took office in January 2009 and since then – and the amounts collected.

In the case of Bunker Hill Judge Smith and court clerk Kimberly Zehring, the Kokomo Tribune reported that Smith said in a letter to the state he was never trained in the accounting system used by the court, and never personally entered any data into the system. He said he wasn't aware of any accounting problems until December 2011. "If I'm guilty of anything, it is being too trusting of what I considered a good, honest employee [Zehring]. I

don't feel that I should be held partially responsible for the missing funds since I did everything I could in full faith to maintain the integrity of the court," he said.

Mike Bozyski, deputy state examiner with the SBA, told the Tribune that it was "strange" court officials wouldn't simply deposit the full amount shown in the court's accounting system. Regardless how the money disappeared, Smith and Zehring are responsible to pay back the money, said Corbin.

Not all such cases result in criminal prosecution. Miami County Prosecutor Bruce Embrey told the Kokomo Tribune there isn't enough evidence to establish the missing money was stolen. He said there is currently no active criminal prosecution against either Smith or Zehring. "If more evidence is brought in, we'll look at it," he said.

WFIE-TV reported that Osha was charged with theft in December 2012 and turned himself in to the Warrick County jail. Osha's arrest stems from an Indiana State Police investigation which revealed he allegedly made numerous unauthorized purchases from the town's account for his personal use. Osha allegedly used the Chandler credit card to purchase unauthorized computers, iPads, golf cart batteries and components to build a home theater system.

Supt. Chapman was arrested in Shreveport, La.,



Chapman (left) and Osha



last month on theft charges stemming from Perry County after being suspended from duties in 2011. Perry County Prosecutor Rod Acchiardo says he asked Indiana State Police to conduct an investigation once the audit was finished. In the certified audit report of the Cannelton City School system's finances spanning July 2005 to December 2011, State Board of Accounts examiners found multiple types of misappropriation by Chapman:

Over six and a half years, until his termination, Chapman authorized additional payments to himself beyond his contract. Through payroll or annuities he was overpaid \$206,688.27 that he must repay, the audit found.

- The school corporation received \$333,333.33 – one-third of \$1 million – as a gift from the Dorothy von Solbrig Income Trust in 2011. By law, the base amount or principal of such a gift from a trust is to remain untouched; but any interest income derived from it can be used by the school corporation. Interest from this gift was intended for high school improvements or scholarships. Instead, the audit said, Chapman instructed the school treasurer to use the gift to pay invoices and catch up on withholding taxes the school system owed. The audit found the entire gift amount – the principal, not the interest – had been disbursed, and the school's general fund was overdrawn by \$430,091. The SBA found that Chapman must repay the school system the entire trust gift amount.

- Because of Chapman's discontinuing payment of federal taxes, Cannelton schools owed delinquent taxes to the Internal Revenue Service. The school system then incurred \$50,185.64 in attorney fees for legal representation in the IRS tax case. The audit found Chapman must reimburse the attorney fees.

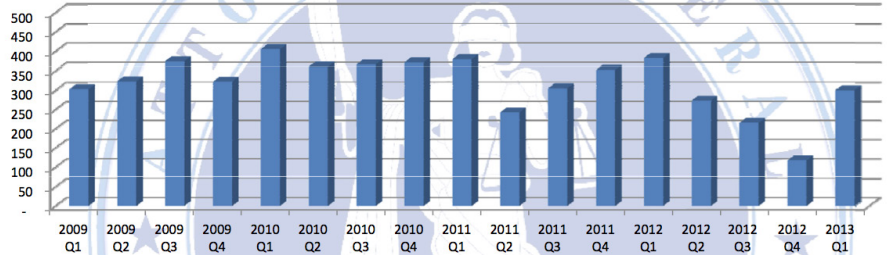
- Chapman was pre-paid \$9,000 in "travel allowances" even though the State Board of Accounts does not allow such advance payments. Travel expenses must be reimbursed only after the fact and when supported by receipts; so the advances must be repaid, the audit said.

- Another \$1,221.42 in various penalties, interest, late fees and other charges were incurred by the school system while Chapman was superintendent and responsible for its funds. The audit said they must be repaid.

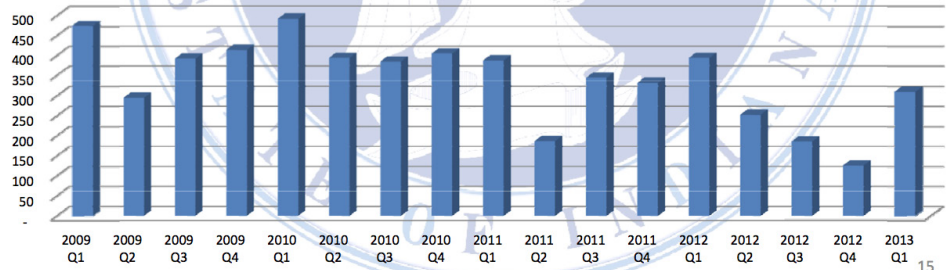
Is the \$9 million in misappropriations normal?
"I got elected in '08 at the same time the hous-

Medicaid Fraud Control Unit

Medicaid Fraud Control Unit Open By Quarter



Medicaid Fraud Control Unit Closed by Quarter



ing market and the economy tanked, so as the economy tanked, I think all of the consumer protection scams went up and at least in my mind there was an uptick in the State Board of Accounts audits," Zoeller told HPI. "Maybe I was just paying more attention to it since I was elected. In my mind, I thought there was more pressure on the economy for people to just take money."

Zoeller, who worked in Attorney General Steve Carter's office before his election, explained, "It is true when I was elected, I took a different approach. I created a collection action. If you're a trustee, and the State Board of Accounts says you didn't keep your receipts, you didn't account for all the money, you owe us the money and we send you a collection action. We'll work it out and you can pay it over time."

"Now if money showed up in your pocket – you went out and gambled it or spent it on clothes or something – then we do something called civil prosecution," Zoeller continued. "We file an action and we freeze bank accounts, we go after liens against property, real estate, homes. It's a much more aggressive approach. We've done a lot more of that. It has brought a lot more attention and \$9 million in collections. Some of them made off with like \$300,000 or \$400,000. But a lot of them took, like, band uniform money. I'm going to pursue that case the same way I'm going to pursue the \$500,000 case, because they've abused the public's trust. You can't let that stand."

"I know it is of great interest to the public," Zoeller explained. "I always try to distinguish between the obliga-



tion to ensure the public that we are protecting taxpayer dollars. We are not catching everybody, but we are going to go after the people who took the money. I want to reassure people. I have been in public service for a majority of my career. Most of the people I've worked with have been ethical, well-intended servants. I don't want people to think it's at all levels of government and a majority of people in government. It's not. But if there's a case, it needs to be pursued."

Lake County leads the state with 28 civil prosecutions of public corruption, for more than \$1 million; followed by 11 in Knox County with \$133,000; nine in Marion (with \$1.3 million misappropriated) and Monroe counties; seven in Johnson and Montgomery; six Delaware and Clinton counties; five in St. Joseph,



Attorney General Greg Zoeller has noticed an "uptick" in misappropriations since the Great Recession began.

LaPorte, Fountain, Morgan and Clinton counties.

Two counties – Jackson and LaGrange – have fewer cases but around \$450,000 in misappropriated funds. Vigo County has three cases but \$1 million in misappropriated funds. Noble County has one case at \$435,000.

Zoeller said he has had to "pursue vigorously" cases in Lake County. "They know that we and (Northern District Attorney) Dave Capp are not going to allow this as normal business practices," Zoeller said. "He's had 10 times the cases as this other district has had."

Zoeller is in East Chicago today to discuss recovery of public funds and their distribution with Mayor Anthony Copeland. ❖

CIVIL PROSECUTION OF PUBLIC CORRUPTION

County	Closed	Open	Total	Closed	Open	Total
Adams		1	1		\$ 126,235	\$ 126,235
Allen		1	1		\$ 38,739	\$ 38,739
Bartholomew	1	3	4	\$ 6,075	\$ 141,872	\$ 147,947
Benton	1		1	\$ 750		\$ 750
Boone	1	1	2	\$ 587	\$ 217,068	\$ 217,655
Carroll		1	1		\$ 8,907	\$ 8,907
Cass	1	1	2	\$ 4,651	\$ 60,403	\$ 65,054
Clark	1	1	2	\$ 11,302	\$ 1,300	\$ 12,602
Clay		2	2		\$ 113,296	\$ 113,296
Clinton	5	1	6	\$ 3,958	\$ 25,821	\$ 29,780
Crawford	1		1	\$ 9,874		\$ 9,874
Daviess	1		1	\$ 1,220		\$ 1,220
Dearborn	2	5	7	\$ 43,925	\$ 109,650	\$ 153,575
Decatur	1		1	\$ 1,109		\$ 1,109
Dekalb	3		3	\$ 9,114		\$ 9,114
Delaware	2	4	6	\$ 12,930	\$ 212,096	\$ 225,026
Elkhart	1	2	3	\$ 659	\$ 92,441	\$ 93,099
Fayette	1		1	\$ 428		\$ 428
Floyd	1	1	2	\$ 5,123	\$ 17,745	\$ 22,868
Fountain	2	3	5	\$ 2,083	\$ 64,118	\$ 66,201
Franklin	1	1	2	\$ 960	\$ 14,599	\$ 15,559
Fulton	1		1	\$ 1,247		\$ 1,247
Grant	1	1	2	\$ 5,094	\$ 92,379	\$ 97,472
Hancock	2	2	4	\$ 10,536	\$ 47,020	\$ 57,556
Harrison	1		1	\$ 654		\$ 654
Hendricks	1		1	\$ 18,083		\$ 18,083
Howard	1	1	2	\$ 7,822	\$ 27,983	\$ 35,805
Huntington	1		1	\$ 1,919		\$ 1,919
Jackson	1	2	3	\$ 7,577	\$ 440,775	\$ 448,352
Jasper		1	1		\$ 11,933	\$ 11,933
Jay	1		1	\$ 2,683		\$ 2,683
Jennings		1	1		\$ 83,683	\$ 83,683
Johnson	2	5	7	\$ 750	\$ 28,337	\$ 29,087
Knox		5	11	\$ 22,816	\$ 110,556	\$ 133,373
Kosciusko	1		1	\$ 28,399		\$ 28,399
LaGrange		2	2		\$ 449,199	\$ 449,199
Lake	11	17	28	\$ 176,124	\$ 844,205	\$ 1,020,329

County	Closed	Open	Total	Closed	Open	Total
LaPorte		5	5		\$ 217,135	\$ 217,135
Lawrence	2		2	\$ 10,381		\$ 10,381
Lawrence	3		3	\$ 297,974		\$ 297,974
Madison	3	3	6	\$ 69,822	\$ 544,662	\$ 614,484
Marion		9	9	\$ 1,382,643		\$ 1,382,643
Miami	1		1	\$ 53,714		\$ 53,714
Monroe		9	9		\$ 227,503	\$ 227,503
Montgomery	1	6	7	\$ 338	\$ 59,616	\$ 59,954
Morgan	5		5	\$ 96,872		\$ 96,872
Newton	1	2	3	\$ 3,249	\$ 4,217	\$ 7,466
Noble		1	1	\$ 435,999		\$ 435,999
Ohio		2	2		\$ 63,762	\$ 63,762
Orange	1		1	\$ 282		\$ 282
Orange		1	1		\$ 1,550	\$ 1,550
Owen	1		1	\$ 2,375		\$ 2,375
Parke	2	2	4	\$ 287	\$ 55,609	\$ 55,896
Perry	1	1	2	\$ 2,351	\$ 615,587	\$ 617,937
Porter		2	2		\$ 7,199	\$ 7,199
Posey		1	1		\$ 68,888	\$ 68,888
Pulaski	1	1	2	\$ 2,000	\$ 27,664	\$ 29,664
Randolph		2	2		\$ 124,024	\$ 124,024
Rush	1		1	\$ 3,626		\$ 3,626
Scott		1	1		\$ 31,265	\$ 31,265
Shelby	1		1	\$ 3,525		\$ 3,525
St. Joseph	1	4	5	\$ 16,312	\$ 52,775	\$ 69,087
Starke	1	1	2	\$ 8,361	\$ 84,893	\$ 93,253
Switzerland	1		1	\$ 13,816		\$ 13,816
Tipton	2		2	\$ 6,592		\$ 6,592
Union	1		1	\$ 1,900		\$ 1,900
Vanderburgh	2	2	4	\$ 9,677	\$ 111,997	\$ 121,674
Vermillion		1	1		\$ 5,567	\$ 5,567
Vigo		3	3		\$ 1,011,364	\$ 1,011,364
Wabash		1	1		\$ 36,683	\$ 36,683
Warren	1		1	\$ 1,792		\$ 1,792
Warrick	1	3	4	\$ 59,273	\$ 36,864	\$ 96,137
Wayne	1	1	2	\$ 2,915	\$ 26,010	\$ 28,925
State		1	1		\$ 105,677	\$ 105,677
Grand Total	87	134	221	\$ 767,911	\$ 9,017,490	\$ 9,785,401



Seybold kicks off the 2014 campaign cycle

By **BRIAN A. HOWEY**

INDIANAPOLIS – The 2014 campaign cycle essentially began Tuesday morning as Marion Mayor Wayne Seybold kicked off his campaign for state treasurer.



"I learned about community service as a child, when the people of Marion so generously supported my sister and me when we trained for and competed in the 1988 Olympic Games," Seybold

said at a rally on the east steps of the Indiana Statehouse. "Since my first election as mayor in 2003, I have served Marion with a strong commitment to our community and to preserving and increasing jobs and opportunities for all of its citizens. Now, I'd like to share that commitment with Hoosiers across the state – and I'm confident that my extensive experience in city management and private business provides me with the skills to be the state's next treasurer."

The three-term mayor is seeking to replace current Treasurer Richard Mourdock, who is term-limited.

Among his many accomplishments as mayor of Marion, Seybold led the community from economic despair when the American auto industry almost collapsed to significant improvement as General Motors has invested more than \$700 million in Marion.

"When I first took office, our city had 17% unemployment and something bold had to be done," Seybold said. "We turned that around by strongly supporting the automobile industry and job creation, leading to Marion being ranked ninth in the nation in economic development."

With 11 months remaining until the 2014 primary elections, Seybold's campaign has already received endorsements from nearly 50 legislators, municipal officeholders, and national, state and community leaders.

"We are encouraged that so many people already share our vision for a sound, fiscally conservative state

government," Seybold said. "I look forward to meeting Hoosiers across Indiana, listening to their concerns, and serving as state treasurer to meet their needs."

Those backing the Seybold campaign include State Reps. Eric Turner, Hal Slager, Rick Niemeyer, Kevin Mahan, Bill Friend, Mike Karickhoff; State Sens. Jeff Miller, Jim Merritt, Travis Holdman and Brent Waltz; Hamilton County Chairman Pete Emeigh, Allen County Chairman Steve Shine, Tippecanoe County Chairman Dave Heath, Lake County Chairman Dan Dernulc, Elwood Mayor Ron Arnold, Valparaiso Mayor Jon Costas, former state chairs Rex Early and Mike McDaniel, former congressman Dan Burton, Attorney Bob Grand and campaign chairman Dan Dumezich.

Don Bates Jr., former U.S. Senate and 6th CD candidate, is also gearing up a campaign, the outcome of which will be decided at the June 2014 Indiana Republican Convention, expected to take place in Fort Wayne.

HPI sees Seybold as an early favorite, but like the 2002 secretary of state race, this one could end up in a



Marion Mayor Wayne Seybold at his Statehouse press conference as former Republican Chairman Mike McDaniel looks on. (HPI Photo by Brian A. Howey)

convention floor fight, though in that scenario it helps to have Grand on your side after he helped Todd Rokita win that one over Mourdock, Mike Delph and Dr. John McGoff.

Indiana Democratic Party Chair John Zody reacted to Seybold's announcement, saying, "We welcome Mayor Seybold to this race, and we are actively talking to Democrats who are interested in running statewide next year. We will field a strong candidate for this office. Whether the next state treasurer is a Democrat or Republican, Hoosiers



deserve a public servant who actually wants to do the job. Treasurer Mourdock used the office to raise his partisan profile so he could run for something else. Taxpayers footed the legal bills for a failed political lawsuit aimed at Indiana's auto industry. Meanwhile, the State of Indiana lost more than half a billion dollars on his watch."

Zody added, "Mayor Seybold lost a congressional bid last year and has run his city's finances into the ground. We hope he and others who might be interested in running for this office will pledge to fulfill the duties of the office, not make it a political stepping stone at taxpayer expense."

Seybold inherited a municipal self-financed insurance program that experienced significant debt when several Marion employees suffered catastrophic illnesses. Seybold acknowledged the city's BBB bond rating and said, "We're in the process of building that back up. That's the knowledge I can bring to the state treasurer's office. In the ebb and flow of the economy, you have good years and bad years and we've been able to work through the bad years." He said he wanted to use the state treasurer's office to "make local government stronger."

"Most local government is on a self-insured program," Seybold explained, saying that Marion had \$5.5 million in employee health claims in recent years. He noted that "there wasn't a lot of emphasis on wellness and as your workforce grows older you have these problems you have to deal with. In the advent of those health claims, our unions have come together, the administration has come together and retooled our insurance program and we're seeing great results. In no time we're going to have that turned around."

Other statewide: Does Berry finish term?

In other 2014 statewide races, Secretary of State Connie Lawson is expected to face off with Democrat Marion County Clerk Beth White. Lawson was appointed by then Gov. Mitch Daniels in March 2011 to finish the term of Charlie White, who was convicted of felony campaign violations and was forced from office.

In the auditor's race, where incumbent Tim Berry is term-limited, Mourdock is signaling a probable run despite his epic implosion in the 2012 U.S. Senate race where he defeated Republican U.S. Sen. Dick Lugar in the GOP primary, then lost to Democrat Joe Donnelly after his "God intends rape" statement at the New Albany debate.

Also lining up for the auditor's race is Cece-



Mayor Seybold and Secretary of State Connie Lawson at the Seybold kickoff.

lia Coble, a Fishers attorney and banking executive.

One potential scenario HPI is hearing is that Berry may take a job in the private sector before his term ends, which would then give Gov. Pence the opportunity to select a successor (possibly Coble, who has been encouraged by Republican Chairman Eric Holcomb to run) who would then win the 2014 nomination.

This would keep Mourdock off the GOP ticket in 2014, preventing a rerun of the 2012 ticket drag he induced that almost cost the party the governorship in addition to the squandered U.S. Senate seat.

Indiana General Assembly races take shape

In the Indiana General Assembly, Republican Jasper businessman Mike Braun has announced for HD63, which will be open as State Rep. Mark Messmer, R-Jasper, has announced for SD48, a seat being vacated by retiring State Sen. Lindel Hume.

In HD39, State Rep. Jerry Torr, R-Carmel, is facing a primary challenge from Matt "Mods" Modleski, former U.S. Air Force Thunderbird pilot, a Carmel businessman who sources say will run a self-financed campaign while using the mass transit issue to try to unseat the incumbent. Torr was to have a fundraiser Tuesday afternoon at Harry & Izzy's in Indianapolis.

In SD45, former Jefferson County Commissioner Julie Berry of Madison has announced she will challenge State Sen. Jim Smith, R-Charlestown. Berry (pictured, left), a Democrat, served three terms as the first female County Commissioner in the history of Jefferson County. She served as president of the bi-partisan Indiana Association of County Commissioners, and was named the 2011 Outstanding Indiana County Commissioner by the Association of Indiana Counties.

Gov. Mitch Daniels also appointed Berry to the Indiana Courthouse Preservation Advisory Commission, where she served with other members, including retired Indiana Supreme Court Chief Justice Randall Shepard.

Sen. Smith was elected in 2010 and is facing his first reelection. ❖





17% of kids in poverty; but 49% on free lunch program

By MAUREEN HAYDEN

TERRE HAUTE — When my children were younger, they'd bring home a big packet of forms each year from their schools with instructions for me to fill them out so they could turn them in.

Routinely, the packet included an application for the federal government's National School Lunch Program.



Signed into law in 1946 by President Harry Truman as a "national security" measure, its goal was to provide children from poor families the nutrition they needed to sit through a day of school and learn.

Routinely, I tossed the application into the trash. My income, though modest, put me well above the 130 percent of the federal poverty level

needed to qualify.

But had I filled it out, I could have falsely reported my income with likely little repercussion, enrolled in the federal lunch program and gotten my children free meals every day.

The potential for defrauding the program - and some compelling evidence of it in places like Chicago where well-paid school administrators were caught signing up their own children - is why the program won't be used as an indicator of poverty for school funding in Indiana after the next school year.

Unlike the federal food stamp program (officially, the Supplemental Nutrition Assistance Program) no proof of income is required when parents apply for the federal school lunch program.

Had I applied for the program under false pretenses, I would have had to sign a form saying my reported income was accurate and the same form would have warned me that I "may be prosecuted" for "purposefully" giving false information.

But it's a toothless warning. About the only verification mechanism in place for the program is one that requires school districts to try to verify the incomes of up to three percent of participants considered "error prone" - that means people who reported their incomes as just a little bit under the income eligibility limit.

Folks who don't comply with a school's request run the risk of getting bumped out of the program. By law, schools can't ask people who apply for the program to provide their income information up front.

The National School Lunch Program is a national security measure. Every day, millions of children living in poverty in this nation are guaranteed not just a good meal for lunch when they're at school, but many eat a good breakfast too, thanks to the program. Nationally, we spend about \$8 billion a year on a program that feeds 31 million children every day.

But the rise in numbers are prompting questions. About 20 percent of children in the U.S. are living in poverty, according to the U.S. Census Bureau and other sources. But about 60 percent of schoolchildren nationwide are enrolled in the federal school lunch program that gives them their meals free or at drastically reduced cost.

In Indiana, about 17% of our children are living in poverty (a number on its own that should horrify us.) About



49% of Indiana schoolchildren are on the federal school lunch program.

The enrollment numbers are critical for another reason: In Indiana and many other states, they're used to determine how much extra money every school district



gets, above their base per-pupil rate.

Since 2011, it's the only metric used by Indiana to calculate the "complexity index" in the state's funding formula. Of the \$6 billion in state dollars that go to K-12 schools, about \$1 billion is tied directly to the complexity index.

After next school year, the state is switching metrics: It's going to use the number of students who get free

textbooks through the state's textbook assistance program for low-income families.

Republican legislators who pushed for the change say the program will be audited to root out fraud and diminish the temptation for parents to cheat. Let's also make sure it doesn't deny a meal to a hungry child in need. ❖

Showing ID for food stamps

By MAUREEN HAYDEN

INDIANAPOLIS — Voters in Indiana are required to show their photo ID before they can cast their ballot. Should food stamp recipients in Indiana have to do the same when they go the grocery store?

That's one of the questions to be taken up this summer by a legislative study committee.

It's on the long list of issues that lawmakers will look at this summer and fall as they move into their annual routine of studying complex or controversial issues not easily resolved during the deadline-driven regular session. This year, there are 18 commissions and committees assigned to examine a wide array of measures that could end up in legislative propos-



als next session.

Here's one thing that lawmakers looking at the idea of requiring photo IDs for food-stamp users will find out: It's been tried in other places and, so far, gotten nowhere. Republican legislators in at least a dozen states have, without success, pushed similar proposals: They want people enrolled the federal Supplemental Nutrition Assistance Program—as the modern-day food-stamp benefit is known – to prove who they are, with a photo ID, when they use their food-stamp card.

SNAP is a federally funded program, created so poor people wouldn't go hungry (the federal income eligibility is 130 percent of the poverty level, and benefits average about \$130 a month.)

But state legislators reason they have the right to add the photo I.D. requirement because the states administer SNAP and issue the electronic benefit cards—which look bank debit cards—on which the food stamp benefits are disbursed.

So far, the U.S. Department of Agriculture, which oversees SNAP, has turned back those efforts by letting states know it won't waive the federal rules that require stores treat food-stamp users no different than anyone else.

The rules are in place for some reasons beyond the fact that poor people don't always have I.D. Here's one: Since food-stamps benefits are assigned to families, not individuals, requiring a photo ID could curb the ability of children of food-stamp card recipients to buy needed groceries.

What's driving Republican legislators to push for the photo IDs anyway? The rapid growth of the SNAP program plus some disturbing reports of people trafficking their food-stamp cards, exchanging them for cash, drugs and guns.

There are about 48 million Americans getting food stamps now; that's up from 28 million just five years ago. In Indiana, more than 925,000 people – about 14 percent of Hoosiers – are on the food stamp program. Fifteen years ago, it was closer to 100,000.

Senate Democrat Minority Leader Tim Lanane doesn't oppose studying the photo I.D. requirement, but he's wary of it. "I'd like to see us take a common-sense approach that doesn't harm the people that the program was designed to help, most of whom are children."

But based on those other states' experiences, the real opposition may come from the other beneficiaries of the \$80 billion food-stamp program.

In Illinois, Rhode Island, Maine and other states that have tried to push for a photo I.D. requirement for food-stamp users, it's the lobbyists for the retail merchants, gas stations, grocery stores and local shops that have opposed it. They don't want to deal with the headaches and extra work that a photo I.D. requirement would involve. ❖

Maureen Hayden covers the Statehouse for the CNHI newspapers in Indiana.



Indiana's 2,000 bridges over troubled waters

By **JACK COLWELL**

SOUTH BEND – These aren't the lyrics of Simon & Garfunkel.

Nor did Elvis sing it this way.



But new words, still with a powerful message, are appropriate now for an old song about a bridge over troubled water:

"Like a troubled bridge over water, It can pull you down. Like a troubled bridge over water, It can pull you down."

The nation has thousands of troubled bridges like the interstate highway bridge that collapsed in Washington state, sending two vehicles plunging into the water.

A study by the American Society of Civil Engineers found 2,036 structurally deficient bridges in Indiana; 1,354 in Michigan. And each state had even more bridges listed as functionally obsolete.

The chairman of the National Transportation Safety Board called that bridge collapse in Washington state a wake-up call.

Maybe they are waking up in Washington state, where officials surveyed the damage and sought evaluation of other bridges listed along with the collapsed span as functionally obsolete. Fortunately there were no fatalities, with rescue of the three people who landed in the water. But the collapse disrupted one of the major trade and travel corridors on the West Coast, causing what the Seattle Times called "an economic disaster."

States can do something about crumbling infrastructure. And they should, especially with interest rates so low and unemployment rates still too high. Since a lot of states, including Indiana and even long fiscally challenged California, are now experiencing surpluses as the nation's economy improves, this would be the time for major infrastructure improvements at a lower cost than it will take later.

Indiana budgeted only modestly for additional transportation funding this year, and it won't be possible to do more until the 2014 session of the General Assembly.

In the other Washington, not the one with the bridge disaster but the one with the sequester disaster, there is little hope of Congress waking up. Congress could

do a lot. Instead of Nothing.

Proposals abound for doing something about the nation's deteriorating infrastructure, with some Indiana members of Congress joining in seeking agreement on funding for loans and guarantees to states for major rebuilding of bridges and roads and also for water and energy facilities.

Alas, with "bipartisan" and "compromise" now dirty words in divisive Washington, chances of doing something - something so sensible, so needed, so obvious - seem like chances of the Chicago Cubs winning the 2013 World Series.

The only glimmer of hope, not for the Cubs but for Congress doing anything at all on infrastructure, comes because virtually every state, red or blue politically, has real needs for upgrades for roads, bridges, dams, levees, rails, water supplies or sewers or all of these.

Still, there is concern in Congress only with the deficit, despite it becoming less severe than projected earlier as the economy rebounds. Opposition remains strong against spending anything additional for anything, no matter the cause.

It is possible to walk and chew gum at the same time. Sensible action to curtail dangerous deficits looming in the future can be taken at the same time as sensible action to curtail dangerous infrastructure problems also looming in the future.

Although comparing government finances to individual household finances often is misleading, a comparison here could help to illustrate the point.

Suppose a family is in debt and the house has a roof leaking like a sieve. Yes, curtail some spending to deal with the debt. But is it wise to decide that nothing can be spent to fix the roof as the rain pours in to destroy home value?

Spending nothing sometimes can cost more.

The American Society of Civil Engineers estimates in its infrastructure study that roads of poor or mediocre quality in Indiana - about 17% of the roads - cost motorists \$225 a year. It's worse in Michigan, according to the study, with 38 percent of roads poor or mediocre and costing motorists \$357 a year.

Can't afford to do anything? The strongest nation in the world can't afford to fix its roads and bridges? Can we afford not to?

The nation cannot afford the risk and the certain cost of crossing thousands of troubled bridges over water.



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



Investigating in Congress? Then do it right

By **LEE HAMILTON**

BLOOMINGTON - By my count, 11 separate Washington investigations are looking into the three big issues besetting the Obama Administration right now: Benghazi, IRS targeting of Tea Party groups, and the Justice Department's pursuit of national security leaks to Associated Press reporters. That's a lot of scrutinizing by any measure.



Don't get me wrong. Each case raises important questions, and the investigations offer Americans the chance to find out what went wrong and to fix the problem. But that will only happen if the investigators — on Capitol Hill and within the executive branch — do it right.

I've done my share of digging into complex matters — as co-chair of the Iran-Contra Special Committee, of the 9/11 Commission and the Iraq Study Group — and what I know is this: An investigation ought to be forward-looking and con-

structive, focused on a key question that is important to the country and to the American people.

What does it take to keep our U.S. missions secure? That's what the Benghazi inquiry is really about. How do we make sure the IRS remains rigorously non-partisan and competently managed? In the AP case, how should the government balance respect for freedom of the media against the need to safeguard national security? These are matters of national interest, and the investigations give us a chance to pursue each of them.

But retaining a laser-like focus on what really counts is difficult in Washington. Any inquiry is bound to arouse people and groups who have something at stake in it, and they will fight long and hard to make sure their point of view prevails. Politicians look for partisan advantage. The federal bureaucracy protects its turf, and agencies do everything they can to spin testimony or cast blame elsewhere. Lobbyists protect the interests they represent. The White House always wants to shield the President, and can be counted on to drag its heels if an investigation heads in a direction it doesn't like.

Then, too, the press, politicians, even members of investigating committees will get off track. Was there a cover-up? Who's to blame for mistakes? Was there criminal wrongdoing? These are legitimate and serious questions.

But they are less important to the long-term well-being of the country than trying to discover what went wrong and determining how to fix it; in the case of criminality, that's an issue for prosecutors to pursue, not Congress.

To ensure that legislative investigators stay on track, their overall approach is crucial. Most important, they need to come in with an open mind and focus on the facts — on what actually happened. It's amazing how much time gets spent arguing over what took place. Determining this is the bedrock of a good investigation, because once you get an understanding of events and how they came about, it becomes much easier to discern and agree upon solutions for the future.

An investigation's overall approach also matters because simply launching one does not give you the credibility you need to fix things. That credibility only comes through seriousness of purpose, a bipartisan attitude, fair-minded professionalism, your relationship with the media, and the quality of the staff. A partisan staff generates partisan results, and doesn't serve the investigation well. Similarly, if you adopt a posture of secrecy or appear to have a hidden agenda, you'll feed the innate skepticism that meets any investigation; communicating openly to all parties is crucial.

A thorough and professional investigation will also be careful in selecting the witnesses it calls and in how it treats them. Volunteer witnesses will spring forward by the scores — so it's crucial to find a broad range of witnesses who have stature within their fields, rigorously analyze the facts, are free of partisan entanglements, and strive to present the national interest. If you stack your witness list, you've undermined your ability to be taken seriously.

All of this makes conducting an investigation a minefield. But if the purpose is clear — getting to the bottom of what happened and coming up with approaches to fix the institutional shortcomings that come to light — and the methods are open, fair, bi-partisan, and trustworthy, the benefits to the American people can last for years. ❖

Lee Hamilton is Director of the Center on Congress at Indiana University. He was a member of the U.S. House of Representatives for 34 years.



Don't punt this one away Broad Ripple

By **BRIAN A. HOWEY**

INDIANAPOLIS – As a former and recent 15-year resident of Broad Ripple, I am fascinated with the current debate over the proposed \$25 million development along the canal that would include upscale apartments and a Whole Foods store, which would replace an abandoned

Shell station and a hardscrabble, rip-rap, goose-crap splattered shoreline.

There were 150 people who gathered at a recent Broad Ripple Village Association hearing on the matter, one that the *Indy Star* described as ranging from “cool” to “hostile” about this project.

The opponents appear to fear competition and would rather wallow in the relative mediocrity that



Broad Ripple is right now.

When you look at other trendy, “bohemian” villages in major cities, Broad Ripple pales in comparison. The city finally paved Broad Ripple Avenue and upgraded the sidewalks, but it's still nothing like other enclaves in surrounding suburbs and other similarly sized big cities. When I go to places like Charlevoix and Petosky, Mich., and Provincetown, Nags Head, Clearwater Beach and LaJolla, I see destinations that use physical attributes to bring out people and commerce. In Broad Ripple, I see and experience a place that is losing population and is, well, missing the boat.

The opponents, galvanized by Good Earth Natural Foods owner Rudy Nehrling says that if Whole Foods comes to town, “I don't see us surviving.”

Perhaps Nehrling should talk to the owners of Hedlund's Hardware at Keystone and 62nd St., which has survived for more than a decade after Lowe's located a block away. The same fate was supposedly in store for Sullivan's Hardware at 71st and Keystone. Since Lowe's came to town, Sullivan's has expanded and thrived. I have shopped extensively at all three of these stores. Wal-Mart was supposed to have killed off Marsh and the Broad Ripple Kroger. But they are still there, and both have greatly improved their product lines since Wal-Mart came to Keystone Avenue.

Memo to Mr. Nehrling: Many times competition makes you better. We live in a capitalistic society. Nobody guaranteed Good Earth Natural Foods a Broad Ripple mo-

nopoly.

Now, to the canal.

It's pathetic. It has been a wasted feature, drawing mostly birds and inebriated punters.

It's like downtown Indy in 1985. You can feel its potential, but the private and public investment just hasn't been there to make it something truly world class and special. The new parking garage is a great start.

There has been some improvement with the addition of Canal Bistro – one of my favorite Mediterranean restaurants – and Flatwater's pub, which actually developed the canal side of that property into a wonderful outdoor eating and entertainment area. But for the most part, Broad Ripple treats its canal like an albatross and something to be hidden in the back closet rather than a feature to draw people and commerce.

At one point, the village paved over the canal with a parking deck.

This is a glaring missed opportunity. There are so few places in Indianapolis for waterfront dining and entertainment. The downtown canal would be a fabulous dining and retail district and there is some of that, but in my opinion, not nearly enough. I see this in cities across Indiana, from Michigan City to Elkhart to Fort Wayne to Peru, which have what could be commerce-attracting water features, but instead, for the most part, ignore them. There are few Hoosiers channeling their inner San Antonio, though in little Nashville, Ind., there are strides being made to create a “riverfront district” (and this village doesn't even have a river).

Broad Ripple is sitting on a potential jewel, and for the most part, ignores it, unless you count Canal Bistro, Flatwater and Applebee's outside patio looking out over the White River, though during the summer you can't really see the river due to the overgrowth of foliage. Applebee's was not built with the notion of utilizing its waterfront. The patio was an afterthought.

I could envision canal-side retail and apartments, like Browning Investments has proposed, which then might spur other eateries to open on the canal, along with kayaking or paddle boats to get people to take advantage of this water feature.

The oldtimers complain about all the bars, but they have missed an opportunity to create a cultural destination that would bring more than just young people looking to party.

They complain about “big money people” coming to the village. Broad Ripple needs more of them to bring out its potential, and create a truly diverse, competitive destination for people of all ages.

Broad Ripple, don't punt this one away. ❖



Never a dull week in Lake County politics

By **RICH JAMES**

MERRILLVILLE - While things are never dull in Northwest Indiana, last week was one of the busiest when it comes to politics and social issues.

First of all, the folks in this corner of the state should be praising the Illinois Legislature for refusing to expand casino gambling before it adjourned last week. The proposed gambling legislation would have added a casino in Chicago, up to five others in the suburbs – including one just across the Indiana border – and slot machines at the Illinois horse racing tracks.



While casino experts in Northwest Indiana aren't concerned about a gambling venue in

downtown Chicago, they say suburban casinos and gambling at the race tracks could have a significant impact on the Indiana revenues.

But the lack of action in Illinois likely is only temporary and it is a virtual certainty the issue will be revisited during the fall legislative session. This ought to spur the Indiana Legislature to finally get serious about what it can do to protect Hoosier casinos.

Speaking of the Illinois Legislature, it passed a bill allowing construction of a third Chicago-area airport at Peotone. While the Illinois Legislature's action won't necessarily mean the first shovel of dirt will be turned, at least one person in Northwest Indiana isn't concerned. Many think an airport at Peotone would doom expansion of the Gary/Chicago International Airport, but Gary Mayor Karen Freeman-Wilson isn't one of them.

"A large metropolitan area like Chicago can support multiple airports if there is cooperation in the tri-state region," Freeman-Wilson told the Times of Northwest Indiana.

Cooperation would appear to be the operable word. What's key is that the Gary Airport – with runways, a terminal and control tower – is many years ahead of what remains a dream in Peotone.

The controversy over who will replace Mary Beth Bonaventura as judge of the Juvenile Division of the Lake Superior Court appears to be over.

When Bonaventura left to become director of the Indiana Department of Child Services, County Division Judge Nicholas Schiralli announced that he planned to transfer into the Juvenile Court vacancy. But because Schiralli

was an appointed judge and had never gone through the merit selection process, there was a legal challenge to him taking over for Bonaventura. The Supreme Court ruled that Schiralli couldn't transfer into the job.

Lake Superior Court Criminal Division Judge Thomas Stefaniak, who did go through the merit selection process, has announced that he will take the Juvenile Court judgeship. That, of course, will leave a criminal division vacancy. The Lake County Judicial Nominating Commission will convene and interview candidates and send three names to the governor, who will make the appointment.

And finally in Lake County, it seems local officials have procrastinated long enough that they won't have time to seek bids to get the lowest price on electronic equipment needed to consolidate all 911 systems in the county. The single system must be up and running by the end of 2014, according to a state legislative mandate.

Without seeking bids, Motorola, which is used by several police departments, likely would get the contract. The company is a qualified vendor, according to the state Qualified Purchase Agreement program. But, other potential vendors say the county would spend millions more than necessary without competitive bids.

The county appears on the verge of hiring Brian Hitchcock, who has 31 years of experience in military and public safety communications and managed police and fire systems in three states, as the county's E-911 director. ❖

Rich James has been writing about state and local government and politics for more than 30 years. He is a columnist for NWI Times.

Kraft to retire from Farm Bureau

INDIANAPOLIS - Indiana Farm Bureau has announced that Bob Kraft, director of state government relations, is planning to retire at the end of September. Katrina Hall, IFB's lead lobbyist on tax, education and fiscal policy, has been promoted to the role of director and will lead the organization's state policy efforts. She begins her new duties June 10.

Kraft began his career with Indiana Farm Bureau in 1990 and has been instrumental in many of the organization's legislative successes over the years.

"Even though he's known as one of the best in the hallways and is well-respected by our legislators, Bob Kraft has been much more than just a lobbyist for us," said Farm Bureau President Don Villwock. "He has provided significant service to Farm Bureau, our member-farmers and rural communities across Indiana through his policy leadership, lobbying efforts and relationship building at the Statehouse." ❖



More jobs should be considered

By **MORTON J. MARCUS**

INDIANAPOLIS — When you come down to it, having a job isn't enough to make it in modern America. With a low-paying job, you are likely to be on food stamps, your kids in the federal school lunch program, and your parents on Medicaid. Thus, while it is wonderful for governors and mayors to announce new jobs, the level and growth in the average compensation of those jobs is of equal importance as the jobs themselves.



First, three explanations: In the following paragraphs "jobs" refer to both full-time and part-time jobs. "Metropolitan Statistical Areas (MSAs)" cross state lines; the Chicago MSA includes northwest Indiana; Louisville and Cincinnati MSAs both extend into parts of southeastern Indiana.

"Compensation" includes wages, salaries, bonuses, as well as company-paid benefits such as health insurance.

In 2011, average compensation per job in 366 metropolitan areas equaled \$52,581. Six of the 16 MSAs containing Indiana counties exceeded this level: Chicago (19th in the nation) at \$67,867 was far ahead of Cincinnati (70th) at \$58,062. These were followed by Columbus (79th), Indianapolis (80th), Kokomo (120th) and Louisville (137th).

These six metro areas suggest that the best paying jobs are in or near the biggest cities, and perhaps in those smaller towns dominated by a single company where labor and management work together well.

The next five MSAs tell different stories. Evansville, Fort Wayne, Lafayette, Elkhart-Goshen, and South Bend-Mishawaka fall into a narrow range between \$48,300 and \$50,800. The final five include Michigan City-La Porte, Terre Haute, Bloomington, Anderson and Muncie. The last two are ranked 351st and 353rd of the 366 metro areas of the nation. These last five are towns that once had thriving manufacturing establishments, but have seen off-shoring plus productivity enhancements diminish their employment status.

The average annual growth rate of per-job compensation was 3.4 percent for the 366 metro areas. The rate of increase in consumer prices for 2001 to 2011 averaged 2.2 percent per year. Only seven of the 366 MSAs fell below 2.2 percent and showed no real growth in compensation per job. In that group of seven were Anderson

(ranked 364th) and last place (366th) reserved for Kokomo.

A high level of compensation may be a legacy of growth in the distant past. For example, Boulder (CO) (\$66,800) ranked 22nd in average compensation per job, but only 341st in growth of such earnings from 2001 to 2011. Detroit (\$63,200), a better known example, ranked 38th in compensation per job but 358th in its growth rate.

The fastest growing MSAs were places where there are significant military installations. For example, Jacksonville (NC) is home to Camp Lejeune while Lawton (OK) serves nearby Fort Sill.

Columbus' growth rate was Indiana's only representative in the top half of all MSAs in the country.

Economic development agreements should include the level and growth rate of compensation per job a company offers before tax breaks are considered. ❖

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The Washington Post
SATURDAY, DECEMBER 29, 2007

"The Best Indiana Political Reporter: *Howey Political Report* editor Brian Howey."

HOWEY
Politics Indiana



Eric Bradner, Evansville Courier & Press: More than two decades after he died, the memory of Civil War colonel Richard Owen was enough to cause hundreds of soldiers on both sides to come together and bury their differences. Indiana is now preparing for the centennial rededication of Owen's Statehouse bust one that Confederate soldiers raised the money to have made, even though Owen, whose father founded New Harmony, was in the Union Army. His remarkable story is one worth retelling and one from which the feuding factions on today's political landscape might draw some lessons. As the war raged, the Union used the Indiana State Fairgrounds as a prisoner of war camp named after Gov. Oliver P. Morton, and then-Col. Owen was tasked with overseeing the group of about 4,000 Confederate prisoners. He believed the prisoners would respond to fair treatment and so he set out to provide it, in part by tasking Confederate military leaders with enforcing some of the rules. Owen decided to save the money spent providing prisoners' bread rations by creating a camp bakehouse a move that saved \$2,000. He used that money to provide vegetables and molasses, stationery and stamps, tobacco, scissors for cutting hair, and needles and threads. He allowed local clergy to visit the prisoners and gave them access to books, as well. He let photographers to take their portraits to send to loved ones. He gave the prisoners permission to form glee clubs. Owen's biographer, Victor Lincoln Albjerg, wrote that the colonel was "firm without being harsh, gentle without being weak, and sympathetic without being sentimental." By May 1962, Owen's regiment was transferred and sent into battle despite a petition from Confederate prisoners at Camp Morton who promised they would cause no trouble if Owen was allowed to stay in his post. That fall, Owen's regiment was captured by Confederate soldiers in Kentucky, during the Battle of Munfordville. There, Confederate Maj. Gen. Simon Bolivar Buckner thanked Owens for his treatment of opposing soldiers in Indianapolis and quickly released his regiment. Led by Confederate Veteran magazine editor S.A. Cunningham, a group of Confederate soldiers, now old, contributed \$1,100 and commissioned a bust of Owen that they intended as a bond between north and south. The gesture was significant. It came as the country was still healing from lingering resentments caused by the Civil War.



Larry Riley, Muncie Star Press: My, how times have changed. Three years ago, when a Republican city administration tried to get a \$2-million bond approved to rehabilitate a dilapidated, and closed for years, Tuhey Pool, Muncie City Council balked. Most party-line-toeing Democrats rejected the bond or abstained, and with one member absent (having been removed from council on conviction

of an absentee-ballot-related crime) the vote failed 4-2-2. I recall distinctly Democrat Alison Quirk fielding a litany of questions about bond costs, tax rates, operating costs, who would be in charge, exactly what would be done. After an intense, personal appeal from then-State Sen. Sue Errington, a Democrat who later split from her party's headquarters, one vote changed (by a council Democrat who opted not to run for re-election a year later), and the bond passed. Tuhey was rebuilt and reopened. Two nights ago, Muncie City Council was again presented with a request to float a bond, a \$5 million bond, but this time from the administration of Democrat Dennis Tyler. Wham, bam, this council was copacetic with this bond and the ordinance sailed through with praise and few questions, notwithstanding more than a little imprecision. ❖

John Ketzenberger, Indianapolis Star: A couple hundred people, many of them veterans of the administration of Gov. Otis Bowen, gathered in the Statehouse last week to celebrate the country doctor's political legacy. Not much was said of the Bowen administration's most significant achievement — reformation of the state's property tax scheme — which set the stage for property tax caps eventually enshrined in the constitution nearly 40 years later. But I wondered, as the last strains of a most beautiful rendition of "How Great Thou Art" rang through the Statehouse, whether Bowen's property-tax reformation will stand the test of time. The thought is rooted in Indiana's reliance now on two economically sensitive streams of tax revenue. The state's 7 percent sales tax, among the nation's highest, produced nearly half of the Indiana tax revenue in the last fiscal year. The flat-rate personal income tax, among the nation's lowest, produced a little more than a third of Indiana's tax take. Together they accounted for 81 cents of every dollar the state collected in taxes, a trend that will be altered a little when the 5 percent reduction in the personal income tax lawmakers approved this year is phased in. The other major taxes, on gambling and corporations, are even more sensitive to changes in the economy. Lawmakers and their constituents are OK with this when the economy expands. Even the modest growth of recent years has added nearly \$2 billion to the state's coffers since FY2010. The downside, of course, is when the economy tanks. The last recession erased nearly \$2 billion in state tax revenue between Fiscal Years 2008-10. Tax revenue by nature is intrinsically tied to economic performance, but the stream wasn't always this sensitive. The best taxes are those with a broad base and a low rate. A second priority should be constructing a system that's relatively stable regardless of the economy's performance. Indiana's system comes up short in both categories. ❖



Donnelly presses on sexual assaults

INDIANAPOLIS – Sen. Joe Donnelly, D-Ind., said Tuesday that lives can be ruined by sexual assaults in the military (Fort Wayne Journal Gazette). At a hearing of the Senate Armed Services Committee, Donnelly mentioned testimony about “the risk of unintended consequences” posed by legislation aiming to prevent military sex crimes. “When (sexual assault) happens, it is the risk of personal violation of somebody,” Donnelly told a panel of military leaders. “It is the risk of destroying that person’s internal soul, their emotional state, their physical state, and in some cases by a person who they look to who is their leader, their commander, and that they look to with a sacred trust.” Donnelly, a member of the Armed Services Committee, recalled taking part in a recent military-induction ceremony in Indianapolis. “I want to be able to know when I look ‘em in the eyes that I can keep my obligation to tell ‘em, ‘You can serve our country, serve with dignity, have your dignity respected,’” he said. Donnelly asked Gen. Ray Odierno, the Army chief of staff, about removing that authority from commanders “who have a lot on their plate” otherwise. “I want the commander fully involved in the decisions that have an impact on the morale and cohesion of the unit, to include punishment, to include (justice),” Odierno replied. “That’s their responsibility.”



Fort Wayne eyes GOP ‘14 convention

INDIANAPOLIS – Fort Wayne

could be in line to host the next state Republican convention. The Indiana Republican Party is seeking to change a longtime rule that requires conventions be held in Indianapolis. Democrats altered a similar rule and held the state Democratic convention in Fort Wayne in 2012. There are no state conventions – or elections – this year. “With the Democrat convention being up in Fort Wayne last year, some Fort Wayne Republicans were very excited about the possibility about potentially doing the same thing,” said Pete Seat, spokesman for the Indiana Republican Party. “They approached us with the idea, and (Chairman Eric) Holcomb thought it was a great idea to try to spread the wealth.” The rules committee is expected to approve the change soon, and then discussion will start on what city. Seat said he expects other cities might also make a bid when they realize the possibility.

Indy to release land bank report

INDIANAPOLIS - An Indianapolis official initially said Wednesday that the public release of an internal report on the Indy Land Bank corruption scandal would wait for approval from federal authorities (Murray, Indianapolis Star). But that release instead could happen later this week after U.S. Attorney Joe Hogsett, whose office hasn’t seen the report, told The Indianapolis Star that the decision was up to the city. “It’s their work product,” Hogsett said, noting the feds did not request the report. “It’s not ours. It’s entirely up to them as to whether they disclose its contents.” Given Hogsett’s comment, Ryan Vaughn, chief of staff to Indianapolis Mayor Greg Ballard, said Wednesday night that officials would prepare the documents for release to the media and others as soon as Friday. Discussion about the report came the same day the Metropolitan

Development Commission met for the first time since an FBI search on May 21 of Department of Metropolitan Development offices in the City-County Building. Vaughn and DMD Director Adam Thies said a rapid review after the indictments led to the production of the report attempting to piece together what had occurred over the past year or so.

Pence rolls back Medicaid rate cut

INDIANAPOLIS - Gov. Mike Pence is undoing a series of Medicaid rate cuts the state made while weathering the recession (Associated Press). A Pence spokeswoman said Wednesday the increase would amount to 2 percent more for hospitals, nursing facilities, home health and immediate care providers. The Family and Social Services Administration cut the payments to Indiana hospitals in 2010 as the state struggled through the recession. Indiana Hospital Association President Douglas Leonard opposed the 2010 cuts at the time and praised Wednesday’s announcement. The state had cut how much it pays hospitals and health providers for dental, vision, medical transportation and a handful of other health areas. Pence said “a healthy Indiana is a strong Indiana” and said the increased rates were possible because of the state’s improved financial standing.

NSA collected Verizon meta data

WASHINGTON - The National Security Agency is collecting the telephone records of Verizon customers in the U.S., NPR has confirmed (NPR). The news was first reported by the Guardian newspaper. The order, granted by the secret Foreign Intelligence Surveillance Court to the FBI



on April 25, gives the government the power to obtain the information for a three-month period that ends July 19. The order covers all Verizon calls made within the U.S., and between the U.S. and other countries. The order does not cover the content of actual conversations, but it does cover other details of the call such as phone numbers, location, duration, time and unique identifiers, according to the Guardian. "The document shows for the first time that under the Obama administration the communication records of millions of U.S. citizens are being collected indiscriminately and in bulk – regardless of whether they are suspected of any wrongdoing," the Guardian says.

Pence signs the 'Gary bill'

GARY - Calling it a "work in progress," Gov. Mike Pence on Wednesday gave Gary and Northwest Indiana leaders the economic shot in the arm they wanted when he signed the "Gary Bill" at a ceremony at Gary City Hall (Mikus, Post-Tribune). The legislation, Senate Enrolled Act 585, holds a number of economic provisions for the city, including two feasibility studies, one for a trauma and medical teaching center, the other to expand the Port of Indiana on Lake Michigan. Other provisions to the bill include changing the Gary Airport board, and providing the city access to \$3 million from the Gary Sanitary District. Gary Mayor Karen Freeman-Wilson said the bill was the work of local leaders and region politicians on both sides of the aisle. "It was a process, as legislation often is," Freeman-Wilson said, "but at the end of the day, we came together with something we could all work with, and something for the citizens of Gary that opens the door for economic activity and jobs." During the ceremony, Pence also noted Freeman-Wilson's

involvement to help pass the bill. "I don't think we would have come to this day had your mayor not has been as active as she's been," he said.

Pence signs nat gas vehicle bill

INDIANAPOLIS - An Indiana lawmaker says a new state tax credit for natural gas-powered vehicles will create jobs, improve the environment and reduce Indiana's dependence on foreign oil (Associated Press). A law signed by Gov. Mike Pence provides a three-year income tax credit for natural gas-powered vehicles weighing more than 33,000 pounds. It imposes the motor carrier fuel tax and the state sales tax on the purchase of natural gas, butane and propane used as motor fuel. Those tax rates will be equivalent to rates for purchasing diesel and gasoline.

Combat to college bill signed by Gov

INDIANAPOLIS - Veterans will have more support in transitioning to college after legislation authored by State Sens. Sue Glick, R-LaGrange, and Allen Paul, R-Richmond, was signed into law Wednesday by Gov. Mike Pence (Richmond Palladium-Item). Senate Enrolled Act 115 requires state colleges and universities with at least 200 veteran students to establish a 'Combat to College' program, creating administration and educational assistance for these students.

Mayor Henry takes to the air on cuts

FORT WAYNE - Fort Wayne Mayor Tom Henry's administration is

airing its proposal for solving the city's budget problems on television (Stockman, Fort Wayne Journal Gazette). "Fort Wayne's Fiscal Policy," produced by the administration and City TV, features interviews with City Controller Pat Roller, Fort Wayne Police Chief Rusty York, and Public Works Director Bob Kennedy as they detail the fiscal policy plan presented to City Council. Henry is proposing a combination of spending cuts, property tax increases and a new local option income tax, which would raise local income taxes in Allen County from 1 percent to 1.5 percent. Meanwhile, councilmen Mitch Harper, R-4th, and Russ Jehl, R-2nd, have proposed making up the difference with a combination of spending cuts, larger property tax increases and using Community Development Economic Income Tax, or CEDIT, money, and money from the Legacy Fund, created by the lease and sale of the city's old electric utility. They want to avoid an income tax increase. It does not appear that the Harper-Jehl proposal, which administration officials have said they don't believe is sustainable, is mentioned in the 30-minute program. Jehl has said officials misunderstood part of the proposal.

Michigan defunds Common Core

LANSING - Indiana wasn't the only state to pass last-minute legislation to block the Common Core, writes Michael McShane over at The Answer Sheet (Moxley, StateImpact). A Michigan state senator, Republican Tom McMillan, joined lawmakers across the country trying to stop the new academic standards when he successfully added language to the state budget last week that defunded implementation. "Is it really this easy to block the Common Core?" writes McShane, a research fellow at the American Enterprise Institute.