



A comeback saga for ‘LeBron Bayh’?

Parker, Hogsett dominoes suggest Evan Bayh returns, but John Gregg isn’t buying it

By **BRIAN A. HOWEY**
 and **MATTHEW BUTLER**

INDIANAPOLIS – This could be the saga of “LeBron Bayh.”

Like a thunderhead brewing in the distance, you could see this one coming. This was the progression: Dan Parker announces he will not become a candidate for mayor of Indianapolis, reasoning that the Democratic nominee has to have a background in public safety. On Monday morning, Southern District Attorney Joe Hogsett backtracks from an earlier disavowal of candidacy and resigns after blog reports that he was signaling a run. A few hours later, former governor Evan Bayh, the most prolific Hoosier political free agent in modern times, drives from Bloomington to Monument Circle in a black Chevy Suburban with staff in tow, and lauds Hogsett’s crime fighting cred.

In a city that had buried two police officers in the past year while enduring a spike in homicides,



Continued on page 3

Our political dilemma

By **LEE HAMILTON**

BLOOMINGTON – We face complex problems. To find solutions, we must be willing to exercise the values of representative democracy: Tolerance, mutual respect, accepting ideological differences, working to build consensus.



We Americans are trapped in a political dilemma. We all like representative democracy, but we don’t much like the way it’s performing. The reason for this dissatisfaction is clear. Polls in recent years detail a polarized nation, divided both ideologically and politically. This is, as the Pew Research Center put it recently, “a defining feature of politics today.” In the public’s eye, Wash-



“We also refused to accept the status quo as our best-case scenario, making every past performance ceiling our new floor.”

- Southern District Attorney Joe Hogsett, in his resignation letter to Attny Gen. Holder



is a non-partisan newsletter based in Indianapolis and Nashville, Ind. It was founded in 1994 in Fort Wayne.

It is published by
WWHowey Media, LLC
405 Massachusetts Ave.,
Suite 300 Indianapolis, IN
46204

Brian A. Howey, Publisher
Mark Schoeff Jr., Washington
Jack E. Howey, Editor
Mary Lou Howey, Editor
Maureen Hayden, Statehouse
Matthew Butler, Daily Wire

Subscriptions

HPI, HPI Daily Wire \$599
HPI Weekly, \$350
Ray Volpe, Account Manager
317.602.3620
email: HoweyInfo@gmail.com

Contact HPI

www.howeypolitics.com
bhowey2@gmail.com
Howey's Cabin: 812.988.6520
Howey's cell: 317.506.0883
Washington: 202.256.5822
Business Office: 317.602.3620

© 2014, Howey Politics Indiana. All rights reserved. Photocopying, Internet forwarding, faxing or reproducing in any form, whole or part, is a violation of federal law without permission from the publisher.

ington gets most of the blame for this.

Yet Congress and the political world around it reflect the rest of the country more than we'd like to believe. Our nation is divided ideologically. It's also segregated politically, with many Americans preferring to associate with and live near people who share their views; gerrymandered districts and closed primaries intensify the effect. Our media is more partisan than it used to be. Interest groups, many of them funded by ordinary Americans who want their voices magnified, are more engaged than they were a generation ago. And though we deplore negative politics, we respond to it and even encourage our favorite partisans to engage in it.



Anyone who becomes president today does so with nearly half the country opposed to him the day he takes office. Moreover, we face a long list of issues where decisive action may be impossible: Abortion, gun control, climate change, a host of budgetary and economic problems, the death penalty, tax reform, immigration, drug laws. These issues don't just divide Congress; they divide the nation, with no clear path forward.

Our admired political system, in other words, is not working well. In Pew's survey, the extremes make up just over a third of the American public, but because they're disproportionately active they drive our politics. The larger, more diverse center can't agree on a direction for the country, but its members are united by their distaste for the tone of politics and the unwillingness of politicians to compromise and break the stalemate. We are not getting the politics we want.

So how do we resolve our dilemma?

There are many procedural steps that can ease the gridlock on

Capitol Hill. Among them, the House and Senate could schedule themselves so that they're in session at the same time. Congressional leaders and the president ought to meet at least once a month. Congress needs to work the same five-day week that the rest of us do, and reduce its centralized leadership by empowering committees. Open primaries would help moderate the nation's politics, as would bipartisan redistricting commissions capable of doing away with gerrymandered districts. Increasing voter participa-

tion and improving the integrity of our elections would also help. Limiting the Senate filibuster, and allowing minority parties in both chambers more of an opportunity to offer amendments, would open up de-

bate and forestall endless stalemates.

But resolving our dilemma is unlikely to happen quickly. It's hard to see either side in this partisan divide winning or losing decisively in the elections immediately ahead. Even if one party wins both houses in Congress, it's not easy to move when the White House is in the control of another party. With the need for 60 votes in the Senate, the minority party can always find ways to slow things down.

Still, it's worth remembering that American politics is dynamic, not static. Change occurs, sometimes quickly, but more often slowly. We won't forever be this evenly divided, because public opinion will eventually evolve and the system will respond.

Which raises my final point. Even when our frustration with division and discord spills over into impatience with the system itself, our obligations as American citizens remain the same. We face complex problems that don't have simple solutions. They demand a willingness to exercise the values of representative democracy: Tolerance, mutual respect, accepting ideological differences, working to

build consensus.

Our core values accept that the differences in opinions among us will continue, but also compel us to find a way through them so the country can move forward. By accepting the challenges that come with living in a representative democracy and renewing our confidence in it, we can lay the groundwork for change. In the end, we

created our political dilemma and are responsible for working our way through it. ❖

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.

Bayh, from page 1

Bayh's imprimatur was as good as political gold. Asked if Hogsett should run for mayor, Bayh said, "Well, I hope so. But that's a decision for him to make. As you know he won't be stepping down from his current job until July 31 and I'm sure he'll have an answer to that question at some point shortly thereafter. I think he would be a great mayor, particularly with his record of fighting crime on the streets, which is the foremost issue facing Indianapolis today."

At this point, Indiana Democrats are like Cleveland, Ohio. Four years ago, they were stunned when Bayh dropped an epic bombshell that he would not seek a third term before taking his talents to Fox News, launching a two-election cycle political disaster that forged Republican super majorities in both General Assembly chambers. The Republicans rammed through right-to-work legislation that hammered the unions, passed abortion restriction laws and declared war on Planned Parenthood, defanged the ISTA and passed sprawling education reforms from A to F grades for schools to vouchers. It was the epic second chapter after Gov. Mitch Daniels and Secretary of State Todd Rokita blitzed the Lake County Democratic machine, forced East Chicago Mayor Bob Patrick from office, and trimmed the Lake County cemetery polling booths.

Evan Bayh saved and revived the Democratic Party in 1986 and 1988. He forged a 16-year winning streak at the Statehouse. Like Cleveland Cavalier star LeBron James in the very same year when he took his talents to South Beach, Bayh broke the hearts of Hoosier Democrats, set off a domino effect that gutted the party veins in Southern river country, though there were no Bayh jerseys to burn in the streets.

On Monday, the inevitable questions about a 2016 gubernatorial run soon followed, and Bayh was glib,

and did nothing to tamp down the rampant speculation that he was about to pull off a latter day LeBron and return to the Hoosier campaign trail. "Today is about Joe Hogsett and not about me," he said. "My boys are going to be going to college on Aug. 24 and Susan and I will get together after that and talk about the next chapter in our lives. That election is two and a half years from now. We've got important races this fall that are going to be important to the state of Indiana, we've got mayoral races next year, so first things first."

Would we see Bayh on the Indiana campaign trail this fall? And next? "Yes," Bayh responded. "I have a standing rule, Brian, if they feed me I will come. And if they feed me barbecue I will stay."

Bayh was pressed on the 2016 gubernatorial race, but he deflected. "This is a day to thank Joe Hogsett for his public service. Other political decisions are two and a half years away and can await their time. What I've attempted to say, perhaps inartfully, is I'm not focused on politics right now. My boys are going to school. We're trying

to enjoy them."

How is your relationship with your fellow Indiana Democrats?

"Good," Bayh curtly responded, which was followed by a pregnant pause and then a burst of laughter from the press.

"I've got a very good relationship," Bayh said. "I hear from many of them all the time. I help whenever I can. Of course, we're Democrats and we're not going to agree 100% of the time. Part of public life is you have your critics and you have people who wish you would do more things. That's just a fact of life. But I would characterize the relationship as a good one."

Bayh approaches Pence vacuum

What's really happening here is that Bayh is now keeping Gov. Mike Pence wondering about whether waging



a presidential campaign might be a better career move than possibly facing a reelection bid against a Democrat who left that office with an 80% approval rating in 1997. Helping Hogsett win the Indianapolis mayoral office would be a critical building block. Democrats regaining that city hall would restore a fount of money and foot soldiers. When Bayh was on the ballot, he had coattails, routinely pulling in three to five House seats with him.

"I think he's going to run," observed former Indiana Democratic Chairman Robin Winston of Bayh's emergence on Monday. What Bayh did not do was slam the door on the notion. Any festering doubt in the former two-term governor's mind isn't centered on what Winston calls a "finite campaign" where he has excelled, but on the ability to govern in what is an increasingly polarized environment.

Former speaker and 2012 nominee John Gregg, however, isn't buying it. "I don't believe it," Gregg said of a Bayh candidacy for governor as he spoke from New Castle Wednesday. "I always felt he's going to do everything he can to help Mrs. Clinton win the presidency and end up in her cabinet. I can tell you there's no doubt in my mind. I never thought he would run for governor. I'm hoping to greet him as a cabinet secretary."

Republican sources speaking on background don't see a returning Bayh as formidable as when he won two gubernatorial terms in an age when Republicans and Democrats could compromise and get things done. Bayh has a Senate record to defend, including his vote for Obamacare. While Bayh supporters cite his 80% approval at the end of his two gubernatorial terms, his approval at the end of his Senate term was in the mid-50th percentile. This could be wishful thinking, as U.S. Sen. Joe Donnelly was reelected to the House and then the Senate following his 2010 ACA vote.

While Bayh cited polarized Congressional politics, there was speculation that there were reasons why he opted out of his 2010 reelection as the Tea Party rose up with pikes and pitchforks.

Stutzman says Pence must choose

As Bayh re-emerged, U.S. Rep. Marlin Stutzman and his district director, State Sen. Carlin Yoder, opened the first internal Republican ponderings about Gov. Pence's future. Both want him to seek the presidency. Both say he can't do a presidential campaign and if it falters, run for



governor. Stutzman related a conversation with Iowa U.S. Rep. Steve King, who was asked about a Pence presidential bid. "The people in Iowa like Mike Pence," Stutzman quoted King.

Would Stutzman support a Pence presidential bid? "Yes, frankly," Stutzman said, becoming the first Indiana member of Congress to say he would back a Pence presidential run. "I think Mike has a unique ability to communicate in a way that I think he would do very well. He's already governor of a state that is working well. As I watch candidates out of Washington, Mike Pence could be – timing is everything in politics – could be at the right time what people are really looking for."

Stutzman said that Pence "has to figure out how late is too late and if he steps out too early, what does that do? It's a timing issue for him."

"I think you're in or you're out," Stutzman said of a presidential bid. "I don't think you can play this 'I'm going to run for president and if it

doesn't work, I'm going to run for governor.' If you're going to run, you have to run."

Former Pence chief of staff Bill Smith told the Indiana Republican Central Committee on Wednesday that Pence has twice as much in the bank as Gov. Daniels did during this time in his first term. The second quarter filing showed a beginning balance of \$1,357,329.99, contributions of \$1,235,858.54, expenditures of \$456,309.05, and a balance as of June 30 of \$2,136,879.48.

Sources tell HPI that Smith's message was that the Indiana finance report "speaks for itself" on the governor's 2016 political intentions. But Smith has delivered a similar message to HPI in the past, only to have Gov. Pence contradict the message by expressing interest in a presidential race, clearly delivered to national media outlets.

Left to read the tea leaves at this point are Hammond Mayor Thomas McDermott Jr., and Gregg, both in the process of building campaigns under the premise that Bayh wouldn't run, and on the Republican side, House Speaker Brian Bosma, who sources tell HPI is preparing for both a 2016 and 2020 gubernatorial scenario. Gregg was convinced earlier this year that Bayh's true scope was an Obama or Hillary Clinton cabinet post. His public equivocation was designed to stay in the news.

So these two governors, one Republican and one Democrat, have set a dynamic where both parties' futures are unclear at this point. The sensational course is if their paths cross and they run against each other. Two governors have faced each other twice in the television of age

of Indiana politics. House Speaker Doc Bowen defeated former Gov. Matthew Welsh in 1972, and Mitch Daniels defeated unelected Gov. Joe Kernan in 2004. But a Bayh challenge to Pence would be the first time a former two-term governor challenged a sitting, elected one.

Political polar vortex

McDermott, who has been sharply critical of Bayh's thunderbolt exit of his 2010 reelect which left the party leaderless and on a two-cycle slippery slope into super minority status, conversed with Bayh at last February's Gridiron in Indianapolis. "He didn't tip his hand," McDermott said. "He was encouraging me and others to seek high office. He didn't say 'I'm running,' or 'I'm not running.' He said, 'You're doing a great thing, meeting people' and doing what I'm supposed to be doing. I took it that he was encouraging me to move forward, I don't know why he would continue to move."

Bayh told CNHI's Maureen Hayden that a decision would come this fall, after his twin sons enter Harvard.

Winston sees a Democratic nominee needing to raise \$15 million. If Bayh were to put off an announcement until after the November 2015 mayoral elections, McDermott, Gregg or former congressman Baron Hill would be looking at a daunting task of raising \$1.2 million a month, or \$300,000 a week, or \$60,000 a day. McDermott and Gregg are building campaigns, researching issues and conducting op research on Gov. Pence. Hill has former aide John Zody installed as state chairman, daughter Jenny at the state party victory fund, and former aide Trent Deckard as co-director of the Indiana Election Board. Hill is institutionally set up.

McDermott acknowledged that with Bayh's future either undetermined or unstated, it is freezing the money. "It sucks all the air out of the room," McDermott said. "Why would someone donate \$10,000 when there's a possibility that Evan Bayh may run. I'm an up and comer. Evan Bayh is an institution. He's got huge name ID and I'm virtually unknown. If daddy comes home, that changes everything. That would change my plans. I'm not going to run in a primary against Evan Bayh."

"He doesn't have to be in a hurry," McDermott continued. "He has the luxury of time, but the worst thing he could do is string us along and then not run. He would be hurting candidates like John and me. It's virtually impossible to raise money. I wish he would get serious. I wish he'd say Susan and I are talking about it. It would

send a message to me. I think it's good for the party. Until then, we're in limbo."

Gregg, who was in New Castle on Wednesday campaigning for Mayor Greg York, not only dismissed a Bayh gubernatorial return, but touted his travels across the state stumping for legislative and mayoral nominees. He will be in Anderson campaigning for House nominee Melanie Wright later this week. "We have a great ticket for 2014. I'm focused on helping Democrats get elected in 2014, and then helping the mayors," he said.

While McDermott and Gregg are building campaigns, they have not engaged Gov. Pence in an substantive way. There have been no press conferences or news releases taking the governor to task over his administration's feud with Supt. Glenda Ritz, the class action lawsuit on behalf of 1,400

adopting families of special needs kids who have not received promised subsidies, or the tax cuts that appear to favor corporations and the wealthy while wages continue to drop for middle class families.

McDermott and Gregg could be taking positions, earning media, building name ID and donor lists and, if Bayh does run, position themselves for the ticket. To date, that is not happening. Policy opposition to Gov. Pence is coming from legislative leaders.

Cloaked and Pence

Gregg and McDermott are not the only ones left to wonder. Gov. Pence has been flirting with a presidential bid for months now, though there is a large school of thought in both parties that Pence is really after a vice presidential nomination. The specter of a Bayh challenge to an incumbent governor who won with only 49% of the vote is the kind of obstacle that prompts one to explore all career options.

For Pence, the critical factor here is whether former Florida Gov. Jeb Bush gets in, and that decision won't come until late this year. If Jeb runs, he's at least an early frontrunner with access to a lot of money. If Bush doesn't, the field is wide open. Pence, one school of thought goes, emerges like Jimmy Carter and Bill Clinton as a third-tier contender who rushes through the line and into open field. That's not happened in the Republican Party, but the 2016 GOP dynamic is completely different than almost all others in the television age of politics when there was an heir apparent.



Hammond Mayor Tom McDermott (left) with John Gregg at the Jefferson-Jackson Dinner last spring. (HPI Photo by Brian A. Howey)

If Pence falls short, he matches up on the ticket marvelously with almost every other contender, the southern Senate wing of Sens. Rand Paul, Ted Cruz, Marco Rubio, as well as with New Jersey Gov. Chris Christie and Texas Gov. Rick Perry. Pence has the congressional and gubernatorial executive experience. He is a tax cutter, opted out of Common Core, is popular with evangelicals. He has been progressive on immigration. The three pairings for Pence that might not make sense would be with Wisconsin Gov. Scott Walker, former Arkansas Gov. Mike Huckabee and former Pennsylvania senator Rick Santorum, with all three long shots for the nomination at best.

The statements from Rep. Stutzman and Sen. Yoder are the first public enunciations of many Republicans we've talked with who believe that Pence must choose which office he will run for and do so this autumn. On a presidential bid, which could take around \$250 million for the primary and caucus sequence, time is of much more the essence than facing a gubernatorial challenger not named Bayh.

As for whether Gov. Pence seeks reelection, Gregg said, "I'm assuming he does run for reelection. The only scenario is if he has the presidential nomination wrapped up early. He's going to be on the ballot. I'm assuming he's going on to be on the ballot for the primary."

Gregg doesn't discount Pence's allure as a vice presidential nominee which would have the GOP Central Committee pick a replacement in July 2016, saying, "If that happens, the party bosses in the smoked-filled back room will pick the nominee instead of the people."

In that scenario, the name of Mitch Daniels is entering into Republican conversations, multiple sources tell HPI, which poses an interesting wrinkle for Bayh to ponder and a potentially epic showdown between the two best political machines in modern Indiana times.

Epilogue

What's HPI's take?

This is an unprecedented situation in a number of ways. We've had a half dozen Hoosiers flirt with national ticket bids over the past several decades, but with Gov. Pence, this is the first time one faces pressure to choose which office to run for. In creating this scenario, Pence may have unintentionally drawn in the most powerful opponent possible attracted by a potential vacuum. The acu-



Gov. Pence with fellow presidential aspirants Gov. Scott Walker of Wisconsin and Gov. Chris Christie of New Jersey.

men of the Pence political operation is overrated, though the governor's ambition is not.

Pence passed on a U.S. Senate bid in 2010 that would have put him on a collision course with Bayh, who then opted out, creating the scenario for Dan Coats' return. He passed on a White House run a year later despite the urgings of the evangelical right, so he has not shown a propensity to take the three-pointer, a point he used to rib Bayh about. He has been willing to "pick a fight," but only on a rhetorical political front on matters like a government shutdown over spending or against Planned Parenthood. He has yet to do so against a real, live person.

Bayh doesn't forget those who gig him, and he has been willing to take on the heavyweights as he did in 1988 against Senate Minority Leader Frank O'Bannon in the primary (the two decided to forge a ticket), Lt. Gov. John Mutz in the general and in 1998 when he thought he would be challenging Sen. Coats, who opted to retire. If Bayh wins the imprimatur of his wife, he will not be afraid to take on a governor who won a first term with only 49%.

Bayh has had ample opportunities to slam the door on a LeBron style comeback, first with Maureen Hayden's interview that ran in the July 8 edition of HPI, and again on Monday.

Waiting and then ducking would only hurt the Indiana Democratic Party and he knows that.

HPI always thought that the Hogsett and Bayh political futures would run in tandem. When Hogsett declared in January that he loved being DA and had much unfinished work, the specter of a Bayh gubernatorial bid seemed to fade.

All of that seemed to change on Monday, with the notion of the two old friends in the seats of power on opposite sides of Monument Circle on Market Street.

As the zen master says, we shall see . . . ❖

Hillary Clinton should own it

By PETE SEAT

INDIANAPOLIS – Hillary Clinton’s comment that she and former President Bill Clinton were “dead broke” upon leaving The White House in 2001 set off a media firestorm. She was criticized from every angle for being out of touch with the American populace.



Republicans scoffed, pointing out that the Clinton clan was making plenty at the time and that since then Mr. Clinton alone has raked in well over \$100 million in fees on the lecture circuit. Coupled with Mrs. Clinton, who pulls in \$225,000 per speech herself, the duo has a net worth estimated at upwards of \$50 million. Democrats were equally aghast, furious that their presumed standard bearer could be so reckless and disingenuous in trying to be one of us.

But the larger point to me is why? Why is she trying so hard to be “one of us”? She built it, she should own it.

Mrs. Clinton should travel the country and tell everyone within earshot that she built a successful career as a lawyer, U.S. senator, secretary of state, best-selling author and now well-compensated speaker at corporate and educational gatherings. She should tell everyone that she intends to do whatever it takes for more Americans to live that same dream.

Why?

Because in life and in politics, authenticity sells. But not everyone owns who they are, afraid that the public will misinterpret their life story, their positions or their quirks and vote against them. However, it’s typically the opposite that happens. When candidates fail to own who they are it usually puts them on the losing side of the electoral equation. It’s part of the who vs. what phenomenon I documented in my recent book, “The War on Millennials.” Americans vote for national leaders more times than not based on their personality traits rather than their tangible solutions to real problems. Think Barack Obama vs. Mitt Romney or Barack Obama vs. John McCain.

In her race to connect, Clinton is attempting to be yet another “who” candidate. She wants to portray herself as being no different than any American who has been forced to file for bankruptcy after losing a factory job or the student stuck with tens of thousands in debt

after finally obtaining a bachelor’s degree. She desperately wants to be perceived as a normal everyday person.

But she’s not. She hasn’t been since the late-70s when Bill Clinton was first elected attorney general of Arkansas. From that point forward, Hillary Clinton became anything but normal.

Her “I’m one of you” shtick of 2014, however, is just a throwback to 2008 when she declared, “It’s Saturday night!” while she downed a shot of Crown Royal and hoisted a frosty cold beer at Bronko’s Restaurant and Lounge in Crown Point in a photo that went viral before viral became an annoying and misused term for nearly everything on the Internet.

Sure enough, Mrs. Clinton isn’t the only one who suffers from an inability to own it. Evan Bayh, the former governor and former senator, who once (and probably still) aspired to be president of the U.S. Senate in a hypothetical third Clinton term, is so adept at dodging inquiries from the media that Ben Stiller could have put him to good use in “Dodgeball.” Rather than be disingenuous about who he actually is, Bayh tries to be everything to everyone. In fact, State Rep. Charlie Brown, a Gary Democrat, once said he “sometimes questioned whether [Bayh] brushed his teeth without taking a poll.”

On the Republican side of the aisle, Bob Dole failed to own it during the 1996 presidential election and, as a result, found himself in an awkward position days after polls closed. Having been effortlessly dispatched by the Clinton reelection machine, Dole took to Hoosier native David Letterman’s late night talk show for a chat, except the Dole who appeared wasn’t the Dole Americans had come to know over the preceding months. Instead, Dole

was funny, witty and self-deprecating. His performance left many, including ABC newsman Ted Koppel, who followed Dole on the show that night, wondering what could have been “if Bob Dole had only shown that side of himself a little more often.”

Of course, hindsight, especially in politics, is 20-20. But authenticity is a potent force in American life today. Reality television shows dominate the ratings because we get to see people

in their most raw and unguarded moments.

In their attempts to prove they are in touch with us, Clinton, Bayh and Dole became out of touch with themselves. Their cautious discipline turned into the paralysis of analysis, and their public political persona became a doppelganger of the real person vying for our support. ❖



Pete Seat is senior project manager at the Indianapolis-based Hathaway Strategies and author of the recently published book “The War on Millennials.” He was previously a spokesman for President George W. Bush, U.S. Sen. Dan Coats and the Indiana Republican Party.

GOP nominees have big money edge

By **BRIAN A. HOWEY**

INDIANAPOLIS – Nationally, Congressional Democrats are out-raising their Republican counterparts, but back home in Indiana, GOP incumbents are walloping their challengers. The same holds true for the Republican statewide nominees, with all three significantly out-raising Democrats.

This quarter furthered the storyline we've already been watching: Congressional challengers just aren't raising any cash or getting any traction, while the incumbents continue to haul it in. It appears it's going to be a quiet November in the Hoosier state. U.S. Rep. Jackie Walorski is the big winner for this quarter, bringing in \$338K, edging out U.S. Rep. Todd Young's \$334K and U.S. Rep. Susan Brooks' \$309K. The trio out-distanced the pack, as the next closest was U.S. Rep. Marlin Stutzman with \$214K.

Todd Rokita continues to maintain the largest war chest, with \$1.16M in the bank, though Walorski and Young have closed the gap and now hold about \$900K each. But the real story continues to be on the challenger side as only two non-incumbents filed a report, neither raising any eyebrows.

Despite being named to the lowest tier of the DCCC's "Red to Blue Program," Joe Bock sees no spike in fundraising and continues to stay on life support, bringing in only \$217K (over \$120K less than Walorski), having only \$277K on hand (over \$600K less than Walorski), and carrying \$30K in debt. Bill Bailey in CD9, the only other challenger to file a report, continues to flame out, giving his campaign another \$10K this quarter, having only brought in a tad above \$40K on the cycle (half of that has come from the candidate himself), and only having \$1,000 in the bank. None of the other challengers seemed to have got any bump after winning their primaries, with most not even filing a report before the midnight deadline (which indicates they have raised less than \$5,000 for the cycle, or aren't following the law). See the entire list under campaigns.

Roll Call reported on Wednesday that the Democratic Congressional Campaign Committee topped its Republican counterpart by \$1.3 million in June fundraising and \$5.6 million in the second quarter overall, according to figures released Tuesday. The DCCC's \$10.9 million haul in June was bolstered by digital fundraising efforts tied to the Supreme Court decision on the Hobby Lobby case and Speaker John A. Boehner's lawsuit against President Barack Obama. The committee ended June with \$50.9 mil-

lion in cash on hand, with four months left to go until the elections. The National Republican Congressional Committee raised \$9.6 million in June, according to The Associated Press, and ended June with \$42.5 million on hand.

Here are second quarter Federal Election Commission reports for the Indiana Congressional delegation and their challengers:

CD1: U.S. Rep. Pete Visclosky (D): \$129K Raised Quarter (\$4K Raised Pre-Primary, \$125K Raised Post), \$726K Raised Cycle, \$287K COH; Mark Leyva (R) No Report Filed.

CD2: U.S. Rep. Jackie Walorski (R): \$338K Raised Quarter (\$8K Raised Pre-Primary, \$329K Raised Post), \$1.52M Raised Cycle, \$901K COH; Joe Bock (D): \$217K Raised Quarter (\$17K Raised Pre-Primary, \$200K Raised Post), \$534K Raised Cycle, \$277K COH, \$30K Debt .

CD3: U.S. Rep. Marlin Stutzman (R): \$214K Raised Quarter (\$22K Raised Pre-Primary, \$192K Raised Post), \$1.03M Raised Cycle, \$489K COH; Justin Kuhnle (D): No Report Filed.

CD4: U.S. Rep. Todd Rokita (R): \$212K Raised Quarter (\$67K Raised Pre-Primary, \$145K Raised Post), \$1.13M Raised Cycle, \$1.16M COH; John Dale (D): No Report Filed.

CD5: U.S. Rep. Susan Brooks (R): \$309K Raised Quarter (\$27K Raised Pre-Primary, \$282K Raised Post), \$1.23M Raised Cycle, \$780K COH; Shawn Denney (D): No Report Filed.

CD6: U.S. Rep. Luke Messer (R): \$208K Raised Quarter (\$16K Raised Pre-Primary, \$192K Raised Post), \$900K Raised Cycle, \$448K COH; Susan Hall Heitzman (D): No Report Filed.

CD7: U.S. Rep. Andre Carson (D): \$159K Raised Quarter (\$19K Raised Pre-Primary, \$140K Raised Post), \$856K Raised Cycle, \$643K COH; Catherine "Cat" Ping (R): No Report Filed.

CD8: U.S. Rep. Larry Bucshon (R): \$129K Raised Quarter (\$5K Raised Pre-Primary, \$124K Raised Post), \$880K Raised Cycle, \$485K COH; Tom Spangler (D): \$13K Raised Quarter (\$0 Raised Pre-Primary, \$13K Raised Post), \$13K Raised Cycle, \$6K COH.

CD9: U.S. Rep. Todd Young (D): \$334K Raised Quarter (\$23K Raised Pre-Primary, \$311K Raised Post), \$1.61M Raised Cycle, \$891K COH; Bill Bailey (D): \$24K Raised Quarter (\$4K Raised Pre-Primary, \$20K Raised Post), \$43K Raised Cycle, \$1K COH, \$19K Debt.

The three Republican candidates for statewide office in Indiana are out-raising their Democratic counterparts, according to second quarter reports.

Secretary of State: Connie Lawson (R), Starting balance - \$332,000, Raised - \$264,000, Spent - \$71,000, Ending Balance - \$524,000; Beth White (D) Starting Balance - \$112,000, Raised - \$183,000, Spent - \$100,000, Ending Balance - \$195,000.

State Auditor: Suzanne Crouch (R) Starting balance - \$86,000, Raised - \$331,000, Spent - \$81,000,



Ending Balance - \$336,000; Mike Claytor (D), Starting balance - \$17,000, Raised - \$76,000, Spent - \$37,000, Ending Balance - \$57,000.

State Treasurer: Kelly Mitchell (R) Starting balance - \$1,400, Raised - \$88,000, Spent - \$31,000, Ending Balance - \$58,000; Mike Boland (D) Raised - \$6,300.

Hogsett v. Ballard

Neither Indianapolis Mayor Greg Ballard or Southern District Attorney Joe Hogsett is a declared candidate, but the expectation is that both will be. HPI's informed and reliable GOP sources have put the chances of Ballard seeking a third term in the 90th percentile.

In Hogsett, whom Evan Bayh suggested would make his decision to run in early August, Ballard faces the most potent Democrat who has already defeated an sitting Indianapolis mayor. That came in 1990 when Mayor Bill Hudnut, viewing the secretary of state office as a Bayh-style stepping stone to the governor's office, was upset by Hogsett, who built a campaign based on an array of tax and fee increases that Hudnut forged during his multiple terms as mayor.

That would be Hogsett's political nadir, losing a U.S. Senate race in 1992 to Sen. Dan Coats (running two consecutive cycles), a 2nd CD race in 1994 and an attorney general's race. Hogsett is a powerful fundraiser with presumed access to some of Bayh's war chest, is good at messaging, maintains good relations with the media and can capitalize on the homicide rate and crime in general that has dominated the headlines. If he gets in, he will be an instant primary favorite over Washington Township Trustee Frank Short and State Rep. Ed DeLaney, who got into the race taking Hogsett at his earlier disavowal of candidacy.

DeLaney told the Indianapolis Star he is continuing with his plan to run for mayor and believes improving public safety is a major issue. "I am running for mayor," he said. "I am very interested in the office and I am enjoying running for mayor." DeLaney, however, said he believes Hogsett also would be a good candidate if he were to jump into the race. "All I know is (Hogsett) resigned on short notice," DeLaney said Monday. "I've said all along Joe would be a good candidate for mayor. We'll just have to wait and see what he does." DeLaney told WISH-TV that he is "evaluating my next move."

Short said Hogsett called him Monday morning saying he would resign. "A couple of weeks ago, he said

he might be exploring other options so, no, it was not a surprise " Short told the Star, stressing that Hogsett never told him he would run for mayor.

At a press conference Monday morning, Ballard said he didn't know Hogsett's plans, telling the assembled press, "I don't know. What's he going to do? I don't know. I have no reaction to that," Ballard said. Asked if he was concerned by the possibility of a race against Hogsett, Ballard laughed. "Do I look worried?"

Ballard has a vivid track record. He has kept the city financially afloat during the era when the constitutional tax caps have kicked in, has spent heavily in African-



Southern District Attorney Joe Hogsett.

American neighborhoods and has fashioned a new image for the city that once emphasized motor, pro and amateur sports to one of a green transportation system involving cars, bicycles and the city fleet. The danger for Ballard is a dynamic that faces many mayors seeking a third term. The cuts become more numerous and you're one rogue cop (or these days, a murdered officer) from creating the kinds of headlines that can be politically lethal. And the city is trending Democratic, a demographic aspect that Hogsett will ardently tap into.

Keeping an eye on Kansas 'Roadmap'

Kansas Gov. Sam Brownback's reelection is in serious trouble, as more than 100 Republicans have bolted, backing Paul Davis, his Democratic challenger. Why should Hoosiers care? Because Gov. Mike Pence used the Kansas "Roadmap" template created by David Kensinger.

Kensinger & Associates was formed in 2004 before he created the firm Road Map Solutions, a not-for-profit corporation. As chairman of Road Map Solutions, Kensinger said in a prepared statement, "In this role, I will be free to advocate in the public square for policies which will fulfill the goals described in Gov. Brownback's Road Map for Kansas: Private sector job growth, increased personal income, improved fourth grade reading scores, expanded opportunities for college-age Kansans and a reduction in childhood poverty." The 2012 Pence gubernatorial campaign signed on and used many of the same images and issues.

One of those issues in Kansas was an income tax cut that has since sent revenues tumbling. The New York Times reported: "I think Sam's experiment, as he's called it, is backfiring on us," Wint Winter, a banker and former state senator, said in an interview on Tuesday. "It's gone way too far. We're all very alarmed by the damage to our public schools, very alarmed by the damage to the state's financial responsibility and very alarmed about the credit downgrade that Wall Street is paying attention to." Large

income tax cuts signed into law in 2012 and 2013, with the support of a Republican-controlled legislature, have caused deep concern among Kansans about the state's financial stability. Since the cuts, state revenues have plummeted. In April and May, the state collected only \$369 million from personal income tax, far short of the \$651 million it had anticipated. In May, Kansas' credit rating was downgraded by Moody's Investors Service, citing concern about the tax cuts and the state's slow recovery from the recession.

The tax cut repercussions have been much more severe in Kansas than they've been in Indiana, partly because Indiana General Assembly leaders put the brakes on Pence's 10% tax cut in 2013, slicing it in half and installing it over several years.

HPI reported in 2013: A high ranking Pence administration official described Kensinger as "our campaign consultant" and that he "continues to be a friend." What is troubling for House Speaker Brian Bosma and Senate President David Long is the prospect of a 2016 Pence presidential bid, one that would also be funded with the help of the Koch Brothers. The one policy peg this potential campaign needs is the Pence income tax cut.

Bosma, in an op-ed article in the Indianapolis Star, explained, "When Republicans regained the House majority, our first order of business was to fill that hole through cuts, and not the tax increase proposed by Gov. Daniels. It was painful and difficult but sustainable in the long run because it avoided the wild shifts experienced in other states. I was uncomfortable being on the opposite side of Gov. Daniels' 2005 tax increase proposal and I am not very comfortable being on the opposite side of Gov. Pence on the income tax cut proposed in 2013. But comfort isn't the point; long-term vision is. Gov. Pence points to Kansas as a model for his tax cut proposal, and I would encourage you to look on-line at the fiscal instability resulting from Gov. Sam Brownback's tax cut."

Today, it's a Kansas political crisis. Indiana, the legislature put on the brakes. We're not suggesting that Indiana is on the same course as Kansas, but it's worth watching.

Christie going to Iowa

Gov. Chris Christie of New Jersey will make his most significant and elaborate return to the presidential arena this week amid indications that, despite his tribulations, his political standing has stabilized and his advisers see a possible path to the Republican nomination in 2016 (New York Times). Christie's three-city swing through Iowa, the first state to have a say on the presidential race, will represent a highly public resumption of his White House ambitions after six months of scandal. It was deliberately constructed to showcase what his advisers believe distinguishes him from the emerging Republican field: His personality and ability to interact spontaneously with ordinary people.

GOP's hurdle to retake the Senate

If Republicans are to win the Senate, they probably are going to have to do something they haven't done since 1980: Beat more than two Democratic Senate incumbents in November (Kondik, Sabato's Crystal Ball). In that Reagan Revolution election -- one of the best for the Republican Party in its entire history -- the GOP flipped 12 seats held by a Democratic incumbent who sought another term. The Republicans defeated nine Democratic incumbents in the November general election, and they won three other Democratic-held seats where the incumbent who held the seat ran for reelection but lost an earlier primary. Incredibly, in the 16 Senate elections since then, the Republicans have flipped only 12 Democratic Senate seats where the incumbent was running again: It's taken them three decades to match the achievement of that single 1980 effort. In recent times, Republicans have had some good Senate elections, like in 1994 -- when they netted eight seats and took control of the upper chamber -- as well as 2004 and 2010, when they netted four and six seats, respectively. But these were electoral triumphs built mainly on winning Democratic seats where incumbents were not running: In 2010, for instance, Republicans made their six-seat gain largely in open seats: The only incumbents they beat were Sens. Blanche Lincoln (D-AR) and Russ Feingold (D-WI). ❖

Year	Total changes	Incumbent defeated		Open seat	
		D → R	R → D	D → R	R → D
1946	11	10	0	1	0
1948	9	0	8	0	1
1950	7	5	1	1	0
1952	10	5	4	1	0
1954	6	2	3	1	0
1956	8	1	3	3	1
1958	13	0	10	0	3
1960	3	1	1	1	0
1962	8	2	4	0	2
1964	4	1	3	0	0
1966	3	2	0	1	0
1968	9	5	1	2	1
1970	6	3	2	1	0
1972	10	2	4	2	2
1974	6	0	2	1	3
1976	14	5	4	2	3
1978	13	5	3	3	2
1980	12	12	0	0	0
1982	3	1	1	0	1
1984	4	1	2	0	1
1986	10	0	7	1	2
1988	7	1	3	2	1
1990	1	0	1	0	0
1992	4	1	3	0	0
1994	8	2	0	6	0
1996	3	0	1	2	0
1998	6	1	2	2	1
2000	8	1	5	1	1
2002	3	1	1	1	0
2004	8	1	0	5	2
2006	6	0	6	0	0
2008	7	0	4	0	3
2010	6	2	0	4	0
2012	3	0	2	1	0
AVG	7.0	2.1	2.7	1.3	0.9

Walorski looks to win 2nd CD this summer

By JACK COLWELL

SOUTH BEND – Jackie Walorski would like to win the race right here, right now, this summer.

That’s why the Republican congresswoman from Indiana’s 2nd District is running TV ads on area channels, including cable, right now, in mid-July.

It’s new school strategy in her race with Democratic challenger Joe Bock.

The old school of politics was that a candidate didn’t “waste” campaign funds on television ads and



other appeals to voters in the middle of summer, when a lot of people are on vacation and most aren’t tuned in to politics. Better to save precious funding for when the campaign really gets under way after Labor Day, when voters will pay attention.

Well, most congressional races now are over by Labor Day.

In Indiana, due to realities of redistricting and funding, eight of the nine congressional races are over already. Incumbents in those races, six Republicans and two Democrats, are regarded as home free, certain of re-election.

The only competitive race is in the 2nd District, and Walorski is running in a district drawn for her in Republican-controlled redistricting. She also has a big lead over Bock in funding. But because Walorski won a first term narrowly in 2012, the race isn’t regarded, like the others, as already over.

It’s smart strategy for Walorski to try to win it now, even if some politicians still cling to old theories of waiting for supposed race-starting time in September.

Prominent political

analysts conclude that President Obama beat Mitt Romney in the summer of 2012. The Obama campaign went for broke that summer, depleting campaign coffers for TV

ad blitzes in key battleground states to define Romney in a way he didn’t want to be defined. Romney, with his own funds short after costly presidential primary contests, didn’t respond quickly to being portrayed as an uncaring, out-of-touch businessman, figuring he would have a big funding advantage to define Obama after Labor Day as a failure on the economy.

But the negative image of Romney stuck. He was never able to pull ahead in those key states, even after a disastrous debate performance by Obama.

Political analyst Jonathan Alter, in his book about the campaign, wrote:

“One of the biggest differences in the competing strategies was that Obama, as Clinton had done in 1996, front-loaded his ads five and six months before the election, while Romney unloaded most of his after Labor Day. Eventually even Republicans agreed that the Obama strategy was smarter, and not just because voters get sick of so many ads and tune them out in October.”

The image slapped on Romney about Bain Capital, outsourcing and such took focus away from economic issues and provided “kindling” when Romney ignited controversy with his 47 percent remark.

In TV ad wars, defining candidates is the goal. A candidate wants to be defined for voters in a positive way before the opponent can make a negative definition stick. And most candidates in competitive races seek to define the opponent in a negative way before the other side can establish a positive image.

Walorski’s TV ad buy is to establish a positive image. The ad features folks on camera talking about “work across party lines to get things done,” sponsoring a bipartisan measure to combat sexual assaults in the military, support for the Violence Against Women Act and efforts to lower propane prices.

She can afford this early buy and continued TV ads. Walorski announced that she raised \$335,000 in the second quarter of this year and has raised \$1.5 million total.

Detailed quarterly funding reports by Walorski and Bock aren’t due until Tuesday, but it’s certain that Bock trails the incumbent in funds.

Bock isn’t doing any defining of his own on TV



yet, but he issued a statement disputing Walorski’s claim to bipartisanship. He said her “votes against re-opening the government while still taking her paycheck were hardly bipartisan. She has voted with her own party over 95 percent of the time she has been

in Congress.”

Will he get that message across successfully this fall? Possibly. But not if Walorski already has blunted it and taken a commanding lead this summer. ❖

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

Stutzman talks trade, immigration, reform

By **MATTHEW BUTLER**

INDIANAPOLIS – The worsening crisis along the southern border and a growing wellspring of public support for comprehensive immigration reform, particularly within the state and among Hoosier Republicans, is being felt by U.S. Rep. Marlin Stutzman and his colleagues, the Republican told Howey Politics Indiana in an exclusive interview on Monday.

Time sensitive subjects like the highway trust fund, the Export-Import Bank's charter, and Speaker John Boehner's lawsuit against the president were also covered. We also touched on more long-term policy questions, such reforming the corporate and individual income tax codes, as well as the minimum wage and energy policy as it affects Indiana, particularly in regard to proposed EPA carbon emission standards.

Rep. Stutzman is and obviously has been frustrated with the White House for quite some time, but a pervasive theme throughout many of his answers and remarks is a frustration with inaction on Capitol Hill. "The administration is not engaged with Congress, period. House Republicans, we feel like we're trying to lead and put ideas together passing bills and they go to the Senate and nothing happens," Stutzman said. "Until the speaker of the House and the president have some sort of working relationship, not much is going to get done. I think the only way Congress is getting anything done is if there is some sort of emergency."

Here is a summary of the highlights of our discussion:

Immigration Reform

Given the recent influx of Central Americans, particularly unaccompanied minors, flooding the country's southern border, immigration reform has again become a pressing policy question and political football. Earlier this month the Indiana Chamber and Indy Chamber joined other groups for a national day of action to press for immigration reform by the end of the year. We quoted some of their Indiana polling figures to Rep. Stutzman, such as 84% of Hoosier voters wanting Congress to act this year on immigration reform. Support among Republicans was also high for comprehensive reform. The poll found, for example, "65% of Republicans support an immigration reform plan that secures our borders, expands visas for high-skilled workers and farm workers, provides an em-

ployer verification program, allows young persons brought to the U.S. illegally by their parents an opportunity to earn citizenship, and provides visas to live and work here legally to undocumented immigrants without a criminal record who pay penalties and back taxes. Only 22% oppose."

Considering this popular will, we asked if House Republicans were worried about an electoral backlash over a failure to enact immigration reform either this November or in 2016. "I think the majority of House Republicans see that," Stutzman answered. "Like a lot of issues there is a loud minority that opposes immigration reform. There are still House Republicans who oppose immigration reform, but that's got to be around a dozen or so." He said the Republican study committee is also beginning to take the issue seriously. "Over the next couple of months," he said, "we as conservatives need to see where we stand on immigration. I was supportive of Speaker Boehner's 'principles' that they laid out last January."



Stutzman said he was already well aware of Hoosiers' desire for immigration reform sooner rather than later. "We polled immigration in the 3rd CD with Republican primary voters last January and there is broad support for immigration reform. Voters support citizenship for children 60% plus; back-of-the-line visas 60% plus. I think we're there." A constant snag, however, was the concept of amnesty.

"There is a way to do immigration reform without amnesty," Stutzman asserted. "I think many people who are anti-immigration reform use the term too loosely. What is amnesty? To me, amnesty is saying, 'You're here illegally here today; tomorrow you're a U.S. citizen.' We're not asking for that at all. We're just talking about legal status. We're talking about a penalty, back of the line; that's not amnesty."

Stutzman believes securing the border should be the first priority for humanitarian and national security reasons. "I think we start there," he explains. "We have to control the border. We have to find a way. Notice I didn't say seal, but we need to know who is going in and out." In regards to the recent influx of unaccompanied minors from Central America, Stutzman sees our border policies contributing to their endangerment. "It's not fair to those kids," Stutzman said. "Coyotes are helping these kids get to the border and they're making a lot of money exploiting these kids."

The recent unremitting waves of immigrants appear to have overwhelmed the entire border apparatus in Stutzman's estimation. "From reports that I've heard, people are being told to move on through," he said. "I think they're being slipped through entirely. I think they're

being let go entirely because they're such a massive influx. That's something that could be stopped by the administration. The administration has every tool in their toolbox right now to control the border to some level if they choose to."

The porous border was doubly troubling because of potential dangers that might cross it. Stutzman related what Rep. Jeff Duncan (3rd SC) told him during a recent trip to Texas' King Ranch 50 miles north of the border: "Their security is seeing folks from the Middle East. They're catching folks from China coming through."



The fluid situation along the border could also be felt in Indiana, Stutzman said, through the latest spike in the heroin scourge. "The cartels are in Fort Wayne."

"We know it's too loose now," asserted Stutzman. "This is a very dangerous decision by the President to not do more." Stutzman added that he is trying to schedule a trip to the border with Democratic colleague Henry Cuellar (28th TX).

As for other key immigration reforms, Stutzman identified revising visas on economic and social grounds. "Our agriculture visas are not adequate," Stutzman said. He was hearing from Indiana agricultural interests that this was a pressing matter for them. "High-tech visas is another area," Stutzman added. "We cannot get people into the country from Canada who would be filling a job we cannot find workers for here."

Asked about the potential of passing something seemingly uncontroversial, like high-skilled visa reform, right away, Stutzman said it was not so simple. "I know we're trying this piecemeal approach, but at the end of the day they need to travel together," he explained. "They may be separate bills but there are going to be several pieces to the entire [immigration reform] package."

Defining amnesty and cobbling together a package of deals were not the only hindances. Other political hurdles for immigration reform, as Stutzman sees it, are disengagement from the White House and a general fear over who could get credit for any lasting reforms. On the latter point, he said, "That's just ridiculous. I believe the window for immigration reform is from now until the second quarter of 2015 because then the presidential politics is going to start and then it would be very difficult."

"I think it's the right thing to do for several reasons," Stutzman said. "There is a human element to it that should always be addressed first. I don't support deportation. I don't support amnesty. This is not a literal meaning, but 'a high fence and wide gate.' That's what our principles should be."

Export-Import Bank

With the Export-Import Bank of the United States'

three-year charter set to lapse in September, we asked Rep. Stutzman where he stands. The U.S. Chamber of Commerce and National Association of Manufacturers, along with Democrats, strongly support reauthorization but conservative Republicans, like House Budget Chairman Paul Ryan, and groups such as the Heritage Foundation and Chris Chocola's Club for Growth oppose the bank's very existence, depicting it as corporate welfare 'picking winners and losers.'

"It definitely needs reforming," Stutzman was quick to respond. "I would say the administration at the Ex-Im Bank hasn't made the reforms that Congress asked of them last time (in 2012). That brings into question if you're not going to follow Congress' direction, what authority do we have over Ex-Im?" Unless the bank indicates it wishes to implement reforms, Stutzman is comfortable in not reauthorizing the economic development institution which dates back to 1934. "There is a lot of money out on the sidelines that could be directed toward importing-exporting businesses."

Highway Trust Fund

Considering the Aug. 1 exhaustion of the Highway Trust Fund, we asked Rep. Stutzman about possible funding solutions. Stutzman agreed with the sense of urgency: "After defense, I think our national infrastructure is a top priority for the federal government. We have to find some sort of solution." He voiced support for proposals involving reforms to the post office and pensions in order to fund the patch, but characterized them as "nibbling around the edges."

Stutzman recognized the need for a long-term funding solution and alluded to tax reforms to generate more overall revenue and dedicating repatriated overseas income specifically toward infrastructure. "We all know we have to fix the highway trust fund and there is a lot of support for repatriation," Stutzman observed. "It seems like the two would marry each other well."

We asked why something formerly underwritten by a user tax, the federal gas tax, is probably going to be funded by all kinds of disparate, temporary measures. "The gas tax is more difficult to sell because our vehicles are becoming more efficient and it's becoming a lot more politically difficult," Stutzman answered. "Whether it's a federal excise tax, some kind of user fee outside of the gas tax, I think would be something to look at. It has to be something different than the gas tax. When you add 10 cents, 20 cents to the price of gasoline it's going to be felt by the family budget. My first choice would be to take repatriated dollars and put them toward infrastructure to grow the economy."

Another solution Stutzman touched on, which is growing in popularity with some conservatives, is to leave more highway construction up to the states. He cited leasing Indiana's toll roads and tolling Ohio River bridges. "I think people are going to see, if we want good roads, bridges, and infrastructure, there has to be a way to pay

for it," he said. "It just seems the gas tax is the one that hits people the hardest, whether they use that bridge or toll road or not."

The day after HPI spoke with Rep. Stutzman, the House voted 367-55 to patch the fund. The package provides for enough funding (\$11 billion) until May 2015, drawing upon disparate sources such as an underground storage tank fund, customs fees, and pension tax changes. It contained too much of the "nibbling" Stutzman alluded to on Monday, and therefore he did not support it. Whereas the rest of the Indiana delegation voted yes, Stutzman and Luke Messer voted no. "Patchwork solutions will only exacerbate the uncertainty in planning large and critical infrastructure projects going forward," Stutzman told us Wednesday. "Without long-term funding solutions at the state and federal level, implementing big and bold projects like Major Moves – which I was proud to vote for – will be difficult if not impossible in the future."

Speaker Boehner's lawsuit

Rep. Stutzman was uncertain if he would support Speaker Boehner's lawsuit against the Obama Administration citing executive orders which infringed upon Congress' lawmaking powers. "I want to see what is actually going to be in addressed in the lawsuit," Stutzman said, before committing any formal support. "We've been frustrated with the administration's enforcement or non-enforcement of laws. He seems to be picking and choosing."

One executive action cited repeatedly as overreach was the President's decision to delay the ACA's employer mandate. Wasn't this somewhat ironic since Republicans had been pushing for that very same delay? "It makes us scratch our heads because we were trying to slow the mandates down," Stutzman responded. "I think what's important is that the principle needs to be followed here. If it's the law then the law should be followed. The executive branch has the responsibility of executing the law. The Obama Administration had the opportunities if he wanted to delay the mandate to work with Congress."

Considering Congress has now voted 54 times in four years to repeal the ACA, could the two parties have worked together in good faith to iron out a mandate delay? "Yes," answered Stutzman. "Even at the shutdown, we were trying to get a six-month delay. I think he would have found a deep willingness on the House Republicans' part to delay, even a three-month delay. But the President would always threaten to veto and it would never pass the Senate."

While on the subject of the ACA, we asked Rep. Stutzman how he felt it was working in the 3rd CD. "I hear from a lot of businesses that they're not growing, they're not expanding their operations," replied Stutzman. "They'll know more, because of the small business delay, how that affects them in the next few months. To be honest, I don't hear a lot of positives. Maybe another year things will be different."

Tax and regulatory reform

As for any political movement on tax reforms in general, Stutzman said, "It's very slow. Nobody wants to take the first step. We all have to give up something for the greater good."

Is there bipartisan support to push corporate tax reform? "Yes, on both sides," answered Stutzman. "I know the President has spoken favorably. But, I think the problem is that the President doesn't want to be seen favoring corporations and just cutting taxes there."

Since there are labyrinthine levels of credits, deductions, and loopholes within the corporate code, making the effective rate paid somewhere in the high teens, we asked if major reforms were required besides simply lowering the rate. "Yes, that should be done," answered Stutzman. "Create a level playing field. Depreciation, for example, that's a big issue for small businesses. Then let's keep depreciation at a certain level for everybody. Let's not create special brackets or certain rates for certain sizes."

He sees 'the fair tax,' a proposal to do away with many federal taxes and replace them with a national federal consumption tax as the "easier fix" in terms of principles and policy. Asked if removing taxes on higher incomes and capital gains while increasing the taxes felt by lower and middle income Americans would be regressive, Stutzman disagreed. He explained one of the proposal's elements, a 'pre-bate,' which would guarantee everyone, no matter their income, tax exemption for food, clothing, and housing. "If you buy a \$60,000 car, you pay sales tax," Stutzman gave an example. "If you buy a used \$6,000 car you don't pay any sales tax."

With a consumption tax replacing the income tax a highly unlikely possibility, Rep. Stutzman would like to see income tax reforms such as reducing the number of individual brackets to, ideally, one or two. (There are currently seven, ranging from 10% to 39.6%.) Stutzman was not supportive of proposals to create a new or special income tax bracket for those earning over \$1 million. "Government's role is not to redistribute dollars to equalize opportunity," he commented. "90% of taxes are already paid by the wealthiest 10 percent of the country already. When you get into even smaller numbers, or the super rich, they pay the huge majority of taxes already. I don't think creating another bracket would make any difference."

New brackets on higher earners, Stutzman said, would punish positive outcomes while our economy is doing far too much to reward negative outcomes, namely not participating in the workforce. Switching the discussion from top earners to those on the margins of the economy receiving benefits, Stutzman said, "Right now we're incentivizing people not to work. People are weighing whether they make more money on welfare or, for example, working in manufacturing in DeKalb County." He cited another example that there are ample employment opportunities in agriculture and dairying. Stutzman said this low workforce participation plays into a larger problem in which busi-

nesses were not finding either the adequately skilled or work-appropriate persons within the labor pool: "We also have an education and a drug problem as well, and people just don't want to work."

Since so many entry-level positions are paid minimum wage, we asked Rep. Stutzman his thoughts on calls to simply raise it or peg it to inflation. "I don't agree with that," he answered. "If you have economic growth wages will go up. In fact, wages have already increased, slowly. When you have more demand, that is going to drive up wages. While we find it more difficult to hire, on the flip-side, you're going to find wages increase."

The Indiana Republican congressional delegation reacted in unison against the proposed EPA carbon emissions standards announced in the spring. Indiana is one of

the most coal-dependent states in terms of power generation.

"There is an effect from carbon emissions," said Stutzman. "But, there needs to be some common sense used as well." He admitted lowering emissions and a more diverse energy portfolio is an end result "we would all like to achieve." However, any attempts to force Indiana too quickly from coal-derived energy to wind, solar, or natural gas would be economically disruptive. He said the goal of emission-free utilities was unrealistic and did not give enough credit to 'clean coal' and nuclear technology. "I am going to continue to push back on the EPA," Stutzman promised, "because Hoosiers should not be punished with higher utility costs because of Washington politics." ❖

Lugar urges continue of Export/Import Bank

By RICHARD G. LUGAR

WASHINGTON – The Export-Import Bank must continue. The Ex-Im Bank helps to create new jobs, expand U.S. exports, and increase tax revenue paid by U.S. firms into the United States Treasury. It even makes a profit for the U.S. Treasury each year.

The strength of my conviction comes from personal experience. My brother, Tom Lugar, an engineering graduate of Purdue University, and I both volunteered for military service and after three years returned to Indianapolis to save our family's manufacturing business from financial failure. Our firm produced complex machinery for the manufacture of cookies and crackers. It had been founded by our maternal grandfather, Thomas L. Green, in 1893, and upon his death had been bolstered by the management skills of our father, Marvin L. Lugar. Our father passed away while we were on active duty, and interim management had struggled with diminishing success.

A breakthrough came when we found a good prospect, a Mexican firm, that was prepared to buy a sizeable order of machinery on a conditional sales contract. With the help of Senator Homer E. Capehart of Indiana, I was afforded an opportunity to visit with officials of the Export-Import Bank in Washington, and we came to agreement that the Ex-Im Bank would underwrite our conditional sales contract with the Mexican firm. It became the first of many such sales as our export opportunities increased throughout Central and South America and finally to the Philippines. Throughout the fulfillment of these contracts, my brother and other members of our firm had initiated extensive foreign marketing travel schedules and made a number of engineering advances to enhance the productivity of our machinery.

Within three years, our employee numbers jumped from approximately 50 to 100, and we had repaid loans and other obligations incurred by the factory during leaner years.

During the Second World War, the famous "E" Award had been presented to factories throughout America that were exemplary in war production. President John F. Kennedy instituted an "E" Award for Export Excellence, and our firm, the Thomas L. Green Company, was the first small business in Central Indiana to be recognized with the new award. Governor Matthew Welsh came to our factory for the presentation, and we constructed a great new flag pole topped by the American flag and the beautiful "E" Award flag just below it, a conspicuous development on the near-west side of Indianapolis.

I relate this personal story of family history because it led to requests for even more vigorous international and domestic diplomacy as my brother and I were asked to give civic leadership throughout the west side of Indianapolis, assume leadership roles in the Rotary Club of Indianapolis, and entertain many foreign guests who came to our factory. Our city began to exemplify a strong trend of additional export achievement and an international outlook that continues to be exemplified currently by business trips abroad led by Governor Mike Pence and a host of Indiana business leaders.

The Ex-Im Bank should not only be maintained but it should be strengthened. It is easy to speak of job creation, strengthening our American economy, maintaining manufacturing jobs in the United States, and the boosting of tax revenue paid by American firms and the expanding number of persons they employ without having proven and readily available answers. The Ex-Im Bank produces remarkable on-going answers for "all of the above" and is vital to the strength of our country. ❖

Lugar is a former U.S. Senator from Indiana and president of the Lugar Center.

Caring for our families like we do our rodents

By **CRAIG DUNN**

KOKOMO – Just in! From our good friends in the “You just can’t make stuff like this up” department: A New Mexico farm family is being threatened with extinction by the United States Fish and Wildlife Service because their family ranch has been found to be a home for the “endangered” meadow jumping mouse. For more than a century the Mike Lucero family has grazed their livestock near Fenton Lake in the Santa Fe National Forest. This has been done with all the proper permits over the years in a mutually beneficial arrangement with the United States Government. But now, all of that is in jeopardy because of a cute little furry feller.



Last month the U. S. Fish and Wildlife folks put the meadow jumping mouse on its endangered species list and announced that they were considering erecting an eight-foot-high fence to protect the critter. These brilliant bulbs work for the same Obama Administration that believes that fences don’t work when it comes to keeping illegal aliens out of our country. Ah, but those fences sure will keep tax-paying humans from illegally invading the reserved turf of our mighty jumping mouse.

The “endangered” meadow jumping mouse may be found from the Atlantic coast to the Great Plains. It ranges as far north as the arctic tree lines in Canada and Alaska and as far south as Georgia, Alabama and New Mexico. If it was a virus, it might be called pandemic. The jumping mouse, not to be confused with the lowly field mouse that we spend millions with D-Con to eradicate each winter, has one claim to fame that makes it noteworthy in the annals of mousedom. It can jump as high as 10 to 12 feet. I know there is nothing that I want to survive more than a mouse that can jump 12 feet in the air. You can brag about your sewer rats in Chicago or your nutria in New Orleans, but in the rodent world the meadow jumping mouse reigns supreme.

In saner times, back in the good old days, when rodents spread the bubonic plague and almost killed off the human race, it was a good thing when a mouse or a rat met its maker. Now, we easily forget the recent hantavirus outbreaks in New Mexico that proved deadly to

humans and consider erecting a fence to protect a leaping mouse. That seems somewhat troubling. Don’t the fish- and human-extinction people suspect that those devious prairie high jumpers might just make a break for it by doing the Fosbury flop over the top of the barb wire? What would they do then, order Santa Fe evacuated?

Of course, there must be federal money involved here. It might come as a surprise to those of you who do not subscribe to The Rodent Times, but federally funded research at the Lincoln Park Zoo, in Chicago, has been fitting radio collars to meadow jumping mice before releasing them onto Midwestern prairies so that they may be tracked. Since the prairie mouse can jump so high, it begs the question of whether or not the GPS devices can plot both horizontal and vertical movement. This could be an important issue. I will wait with much interest to learn whether or not the meadow jumping mouse slips away when no one from Fish and Wildlife is looking and ducks in Farmer Jones’ pantry to cop a cracker or two before returning to its endangered environment.

In a troubling development, jumping mouse researchers have learned that some of these collar-wearing rodents might end up in the bellies of owls, coyotes and other predators. As troubling as it is that these evil prairie night stalkers might threaten an endangered mouse, a more troubling question arises. Just how in the heck will researchers know the difference between an mouse wearing tracking collar and a coyote with a belly fully of furry goodness trotting all over the prairie looking for love?

Regardless of these questions, federally funded researchers inform the unenlightened that prairie jumping mice play an important role in distributing seeds throughout the prairie ecosystem. I don’t want you to picture a meadow jumping mouse with a bag on its shoulder trudging through the prairie, flinging seeds like some modern day Johnny Appleseed. Instead, picture the mouse sitting on the can reading this week’s Racing Form after eating Mrs. Das Fledermaus’ spicy enchilada casserole.

Way back in 1947, another group of researchers discovered that the preferred diet of the jumping mouse is seeds, berries, fruit and insects. They also eat the larvae of butterflies and beetles of the family Carabidae and Curculionidae. Where are the pro-life protesters when there are larvae to be protected? Who will speak for the Carabidae?

This is not an animal that has one baby a year. The average litter size is two to nine offspring and an average of three litters each year. Sounds like those owls and coyotes will be dining fine for a lot of years to come. I was worried that taxpayer-funded researchers would have to strap iPod players onto the mice and play the Best of Barry White to encourage breeding. But alas, these little baby daddies have it jumping all of the time!

History has proved nothing if it has not shown us



that when governments start worrying more about mice than men, they are on the downside.

While Nero played a violin concerto for a group of mice, Rome burned. When Napoleon asked his Imperial Guards to step around the European jumping mice on the fields of Waterloo, Wellington sneaked up on him. When Saddam Hussein went down that hole looking for Iraqi jumping mice, we got him. You get the picture. The only

people who have prospered from working with mice are Walt Disney and taxpayer-funded researchers.

Isn't it about time that our government begins to care as much for the endangered American family as it does for a rodent? ❖

Dunn is chairman of the Howard County Republicans.

Regionalism in the segregated Region

By **RICH JAMES**

MERRILLVILLE – Regionalism has been the buzzword in Northwest Indiana for the better part of the last decade. There has been a concentrated effort to bring togetherness to the most segregated part of the state.



There has been success, including decisions to move ahead with the Illiana Expressway, as well as the \$571 million extension of the South Shore Railroad to Dyer. The South Shore project is being shepherded by U.S. Rep. Pete Visclosky, D-Merrillville, who has vowed to provide federal funding to cover half of the construction cost.

Visclosky has asked Lake County communities to commit 34 percent of their new local income tax money to the project for a term of 30 years. That would amount to \$7.5 million a year. Just Munster and Schererville thus far have agreed to a 34 percent annual contribution. Cedar Lake, Hammond and East Chicago haven't yet pledged any money.

When it came time last week for the Lake County Council to make a commitment, some of the councilmen gave new meaning to regionalism. Before it became time for the council to vote, the board of commissioners limited the county's offering to 25 percent of the income tax money, not to exceed \$2 million annually. But just four of the seven councilmen voted in favor of the annual \$2 million contribution. Voting in support were Jerome Prince of Gary, Dan Dernulc of Highland, David Hamm of Hammond and Ted Bilski of Hobart. Dernulc is the lone Republican.

In opposition were Republican Eldon Strong of Crown Point and Democrat Christine Cid of East Chicago. Strong's negative vote wasn't surprising in that he opposes virtually everything of a regional nature, as is the case

with most Lake County Republicans.

Cid is voting more like a Republican as each issue promoting regionalism comes before the council. Cid said she was opposed because a Dyer station would lessen the number of riders using the Hammond and East Chicago South Shore stations. And Cid and Strong both said they are opposed to committing funding to a project that may not be operational for 10 years, while there is an immediate need for road and bridge improvements.

But Dernulc, whose constituents in the west/central part of the county would benefit from the new line, said, "We would be using the money for a tangible benefit. It will be good for the county."

Perhaps the most controversial stance on the South Shore expansion is that of Hammond Mayor Thomas McDermott, who hasn't said no although he hasn't said yes. McDermott, who just stepped down as Lake County Democratic chairman, never has been a vocal advocate of regionalism if he thought a project would hurt Hammond. For instance, he led the charge in opposing a land-based casino for Gary because he thought it would take revenue away from the Hammond casino on Lake Michigan.

And McDermott was the most outspoken critic of moving the South Shore Air Show from Lake Michigan to Fair Oaks Farms in Newton County. The show was cancelled because the fields were too wet for parking. ❖

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

A blue ribbon wish list for roads and bridges

By MAUREEN HAYDEN
CNHI State Bureau

INDIANAPOLIS -- A panel of public and private officials is calling for \$10 billion in projects to upgrade the state's aging roads and bridges, but its members concede there's no money to pay for it all.

Last week, Gov. Mike Pence's Blue Ribbon Panel on Transportation Infrastructure released a long wish list of "critical" projects that includes adding travel lanes to the state's most crowded arteries, Interstates 65 and 70, as they pass through rural areas.



Also on the list of projects deemed essential to the state's economic growth are improving Interstate 69 across the Ohio River bridge in southwest Indiana, and a new four-lane divided highway to loop around Indianapolis so that drivers can avoid the crowded bypass that already exists.

Pence, who appointed the commission last year, praised its work as a step toward improving the state's infrastructure.

"If you're going to welcome people to Indiana with signs that say we're the 'Crossroads of America,' you better have the roads to back it up," he said.

But Pence acknowledged that funding remains elusive. He said the state Department of Transportation is engaged in a two-year study of road needs and ways to pay for them.

The panel's report notes about \$600 million of the \$1 billion annual highway fund is spent just to maintain the current road system.

And the pot is getting smaller.

"Taking care of what we have is becoming increasingly difficult due to declining revenues," the panel reported. "Long-term revenue forecasts for the state highway fund indicate that the revenue is not sustainable over the long term."

Road revenues, taken from the gas tax, are dropping for two reasons – less travel by motorists and better fuel mileage.

The panel called on the Legislature to consider new sources of funding including a new "user fee" added to the cost of a license plate. The panel asked lawmakers to stop diverting current gas-tax revenues into the general fund. And it asked legislators to consider a new "vehicle miles traveled tax," which would require drivers to install a device to track mileage, with a tax tied to how far they've traveled.

The 23-member panel, headed by Lt. Gov Sue Ellspermann, included a range of business leaders and

public officials. The mayors of Evansville, Fort Wayne, and Gary were on the panel, along with some major users of Indiana highways, including the CEO of Monarch Beverage, the largest beer and wine distributor in Indiana.

The recommendations were received with skepticism by state Rep. Ed Soliday, the Republican chairman of the House Roads and Transportation Committee.

Soliday questioned some of its conclusions, including the economic benefits of its priority projects. The panel said the work will create thousands of new jobs and add millions to personal incomes.

Soliday also said legislators may hesitate to approve new funding for any of the state's highway projects if there isn't enough money for 88,000 miles of county and city roads.

"When we think about funding, we've got to talk about how we're going to take care of our local roads, too," Soliday said. ❖

Maureen Hayden covers the Statehouse for the CNHI newspapers in Indiana. She can be reached at maureen.hayden@indianamedia.com. Follow her on Twitter @MaureenHayden



The HPI iOS App is now available!



Android version
coming soon!

Dave Leonhardt, New York Times: If you wanted to bestow the grandiose title of “most successful organization in modern history,” you would struggle to find a more obviously worthy nominee than the federal government of the United States. In its earliest stirrings, it established a lasting and influential democracy. Since then, it has helped defeat totalitarianism (more than once), established the world’s currency of choice, sent men to the moon, built the Internet, nurtured the world’s largest economy, financed medical research that saved millions of lives and welcomed eager immigrants from around the world. Of course, most Americans don’t think of their government as particularly successful. Only 19 percent say they trust the government to do the right thing most of the time, according to Gallup.

Some of this mistrust reflects a healthy skepticism that Americans have always had toward centralized authority. And the disappointing economic growth of recent decades has made Americans less enamored of nearly every national institution. But much of the mistrust really does reflect the federal government’s frequent failures – and progressives in particular will need to grapple with these failures if they want to persuade Americans to support an active government. When the federal government is good, it’s very, very good. When it’s bad (or at least deeply inefficient), it’s the norm. The evidence is abundant. Of the 11 large programs for low- and moderate-income people that have been subject to rigorous, randomized evaluation, only one or two show strong evidence of improving most beneficiaries’ lives.

“Less than 1 percent of government spending is backed by even the most basic evidence of cost-effectiveness,” writes Peter Schuck, a Yale law professor, in his new book, “Why Government Fails So Often,” a sweeping history of policy disappointments. And yet there is some good news in this area, too. The explosion of available data has made evaluating success – in the government and the private sector – easier and less expensive than it used to be. At the same time, a generation of data-savvy policy makers and researchers has entered government and begun pushing it to do better. The result is a flowering of experiments to figure out what works and what doesn’t. New York City, Salt Lake City, New York State and Massachusetts have all begun programs to link funding for programs to their success: The more effective they are, the more money they and their backers receive. The programs span child care, job training and juvenile recidivism. The approach is known as “pay for success,” and it’s likely to spread to Cleveland, Denver and California soon. David Cameron’s conservative government in Britain is also using it. The Obama administration likes the idea, and two House members – Todd Young, an Indiana Republican, and John Delaney, a Maryland Democrat – have introduced a modest bill to pay for a version known as “social impact bonds.” ❖



Joy Pullman, The Federalist: Indiana Gov. Mike Pence would like to ride into the presidency as he has his governorship: On the coattails of his predecessor, former Gov. Mitch Daniels. Unlike his years in Congress, Pence’s governorship has been largely marked, not by forging crucial and substantive policies that reign in the administrative state and advance the cause of liberty, but by a refusal to make waves. In our current climate, that means governing as a technocratic Progressive. So while treating

Hoosiers to essentially the stable status quo Daniels earned making tough and politically risky decisions, Pence has been traveling the country, proclaiming his conservative chops and hoping to increase his visibility through marketing rather than liberty-rejuvenating policy. Pence’s record as governor marks a turn from his well-regarded tenure as U.S.

Representative. Rather than governing as a conservative, he has governed as a Republican. That’s not because he has to constantly compromise with a strong opposition. In this, Pence’s first year as governor, Republicans even have supermajority control and can do essentially anything they want. Daniels had to negotiate with Democrats. They even walked out on him and precluded state business when they were in the minority, and he stood firm like Wisconsin’s Gov. Scott Walker. But Pence is proving to be no Daniels. Instead of showing how conservatives can cut bureaucracy and expand liberty when given the berth — and certainly Democrats take a mile to do the opposite if given an inch — Pence has instead been indicating he’s been in Washington too long, and absorbed its comfort with a well-padded government fed by an attenuating citizenry. ❖

Dave Bangert, Lafayette Journal & Courier: Was Gov. Mike Pence’s call last week on how state agencies should deal with Indiana’s initial burst of same-sex marriages really a surprise — not just politically, but practically, considering there’s a stay on a federal judge’s ruling that Indiana’s definition of marriage is unconstitutional? Those who were married in that short window between U.S. District Judge Richard Young’s ruling on June 25 and the 7th Circuit Court’s stay on June 27 were steamed at the governor, as were their allies. Pence said he was simply followed a legal conclusion that, as of this minute, Indiana’s one-man/one-woman standard for marriage stands. The memo Mark Ahearn, general counsel to the governor, wrote made that clear for state offices that had been left to sort out the back-and-forth from the courts. Whether Pence was really trying to score points with his anti-gay marriage constituency doesn’t erase this fact: His office’s directive made things no more confusing than they already were for those who cashed in long engagements for courthouse weddings during three days in June. No one really believed the administration would bow to a federal judge without a fight. ❖

A \$2B surplus amid austerity

INDIANAPOLIS — State leaders have been touting Indiana's sizable cash reserves for years now, dubbing the state the "fiscal envy" of the nation, but on the other side of that equation, deep spending cuts have spurred frustration among educators, adoptive parents and others (Associated Press). Indiana closed out its last budget with more than \$2 billion in reserves and an annual budget surplus of \$100 million. But state agencies were forced to cut an average 4.5 percent from their budgets in order to cover weak tax collections over the past year. Advocates who say the stockpile should be released from state coffers cried foul on hearing that Indiana was able to find so much money to put in savings. "It's sort of like somebody who has 1,400 kids going five years without paying child support and then saying 'Hey, put me on (Lifestyles of the) Rich and Famous because I got a big fat bank account,'" said Irwin Levin, an Indianapolis lawyer suing the state on behalf of adoptive parents who say the state shorted them on payments. Levin's clients claim the state has withheld payments for 1,400 special needs children who were promised support. In their suit against the Department of Child Services, they note the department was able to shovel roughly \$240 million back into state coffers at the end of the budget years. A Pew Charitable Trusts report released Tuesday dug into the mechanics of how states decide to bank money and credited Indiana as one of a dozen states that relies on fluctuations in tax collections ("volatility") when deciding how much money to bank. Brenna Erford, Pew manager for state fiscal health and economic growth, said states that can hold off paying for current programs and services are able to build more stability by socking away money.



"Setting aside money for the future today requires trade-offs. So every dollar directed to a budget stabilization fund is a dollar that can't be spent on public programs or tax reductions or used to pay down long-term liability. But the savings that state's build up can mitigate tough decisions they make during recessions and can help make state budget more stable and predictable throughout the business cycle," Erford said

INDOT eyes new funding

INDIANAPOLIS - State officials are so confident Congress will pass a deal to cover a shortfall in a federal highway fund that they have not solidified contingency plans that would be needed if the money runs out next month (StatehouseFile). Will Wingfield, a spokesman for the Indiana Department of Transportation, said the agency has been watching the situation closely and has started to prepare plans. But he said officials feel "pretty confident" that Congress will step in.

Air Guard chief absolved

FORT WAYNE - The state's top military officer kept repeating himself Wednesday (Fort Wayne Journal Gazette). "Use of these types of funds is legal, appropriate and authorized," Maj. Gen. Martin Umbarger said over and over at a news conference at Fort Wayne's Air National Guard base. Eleven times the state's adjutant general read an allegation of misconduct leveled by an anonymous source against Col. David Augustine, commander of the 122nd Fighter Wing. Every time, Umbarger read the findings of an internal investigation of Augustine and said of each complaint, "Not substantiated." The National

Guard investigation that began May 27 found that Augustine had not, as alleged, misappropriated more than \$233,000 in public funds nor violated laws or military regulations.

Pence wraps up UK mission

LONDON - Gov. Mike Pence wrapped up his job-hunting mission Wednesday by meeting with a company he said is considering Indiana for its U.S. operations, but his office wouldn't reveal the firm's name or any details. "Out of respect for the company, we cannot share further details about the company or their potential plans in Indiana at this time," said Pence spokeswoman Christy Denault. "However, we hope to have good news to share in the future." Pence also met with executives from more than a hundred aerospace and defense executives during a dinner hosted by Rolls-Royce. And he talked with the CEO of British Petroleum and the president of Tate & Lyle's specialty food ingredients division. The British arigbusiness announced Tuesday that it plans to invest \$90 million in its Lafayette operations. In addition, Pence met with executives from Alcoa, GE Aviation, and Ratheon during the Farnborough International Airshow.

New sanctions aimed at Russia

WASHINGTON — President Obama imposed a new round of sanctions against Russia on Wednesday, targeting some of the crown jewels of the country's financial, energy and defense industries in what officials described as the most punishing measures taken to date by the United States in retaliation for Moscow's intervention in Ukraine (New York Times). The new actions will restrict access to American capital markets for Russian giants like the Rosneft oil company and Gazprombank.