



Is Sen. Bayh 'invincible' in 2010?

Senator a heavy favorite, but chinks and a credible opponent could shift race

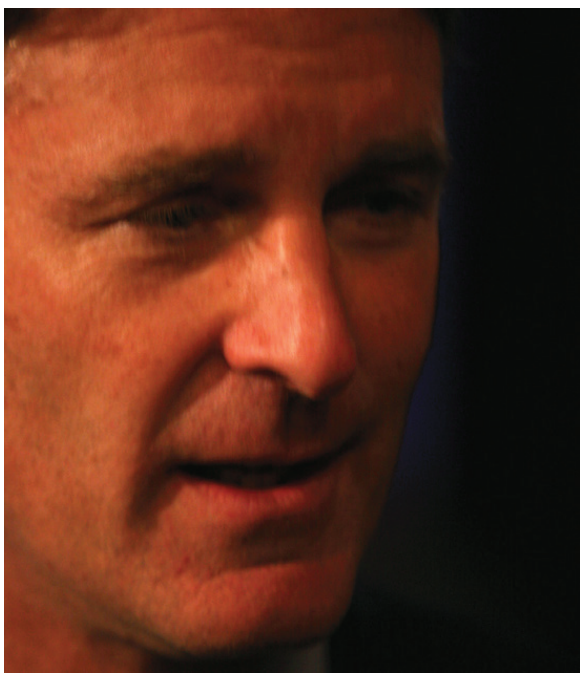
By **BRIAN A. HOWEY**

INDIANAPOLIS - When it comes to looking at the "invincibility" element in U.S. Sen. Evan Bayh's 2010 re-election campaign, it is worth a journey back through Howey Politics Indiana archives.

In the July 10, 2003, edition of Howey Politics, Johnson County Council President Brent Waltz was preparing his challenge to Senate Finance Chairman Larry Borst. "At first glance it would be easy to dis-



miss Waltz as a freshman county official who, as one long-time Republican strategist put it, is about to 'commit political suicide.' But an unprecedented political crisis is unfolding and the talkative, energetic Waltz is positioning himself in what gubernatorial candidate Mitch



Daniels might call the ultimate 'china breaker.' It is Waltz who has produced a stunning political indictment on the status quo"

On Jan. 12, 2006 in my weekly newspaper column, before anyone had even heard the name Greg Walker, I wrote of Senate President Bob Garton and the growing health insurance for life scheme: "He's lucky in that he doesn't appear to have an opponent." Within days, Walker emerged as a Republican primary challenger with

virtually no one (other than HPI) giving him a chance.

And in the Aug. 9, 2007, edition of Howey Politics Indiana, our analysis after allies of Mayor Bart Peterson

Continued on Page 4

It's the economy, Mr. President

By **BRIAN A. HOWEY**

NASHVILLE, Ind. - As a candidate, President Barack Obama invoked the name of U.S. Sen. Dick Lugar in important speeches, including his 2007 campaign kickoff address at Springfield and his final debate with John McCain when he described Lugar as one who helped "shaped my ideas and who will be surrounding me in the White House." He spoke of Lugar in at least two campaign TV ads. And there was evidence of Lugar's influence when Obama and Defense Secretary Robert Gates tapped Kenneth A. Myers III to



"When you're a White Sox fan and know the guy that did it, it makes it even more fun."

- **PRESIDENT OBAMA**, after calling Chicago White Sox pitcher Mark Buehrle following his perfect game against Tampa Bay Rays



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be the director of the Defense Threat Reduction Agency this past week.

In return, Sen. Lugar has applauded Obama's foreign policy, describing the president's Cairo speech in June as a "significant achievement."

But when it comes to Obama's top two domestic policy priorities, health care reform and cap-and-trade, Lugar is parting ways. In a sense, Obama laid out the demarcation in his final debate with McCain last October when he said, "Let me tell

you who I associate with. On economic policy, I associate with Warren Buffett and former Fed Chairman Paul Volcker. If I'm interested in figuring out my foreign policy, I associate myself with my running mate, Joe Biden or with Dick Lugar, the Republican ranking member on the Senate Foreign Relations Committee. Those are the people, Democrats and Republicans, who have shaped my ideas and who will be surrounding me in the White House."

Thus, on both blockbuster domestic issues, Lugar is disinclined to go along simply because the federal deficit load cannot handle what he believes will be trillions of dollars of new spending. To do so, Lugar believes, could result in economic catastrophe if foreign governments - particularly the Chinese - were to stop buying federal debt or move to create a global currency that would replace the U.S. dollar, as they are threatening to do.

Instead, Lugar thinks Obama would be wise to move "incrementally" on health care reforms and pursue greater conservation when it comes to climate change. "I would suggest that successful leadership will be defined, now and historically, by

success in bringing a horrendous economic recession to an end, bringing new strength to our economy," Lugar explained. "I appreciate that President Obama has strongly argued that comprehensive health care legislation is an important component to reducing federal deficit spending. He has contended that failure to pass this legislation will increase deficits now and for many years to come. I disagree with the President."



President Obama and Sen. Dick Lugar. (MSNBC Photo)

Lugar noted his own vote for the S-CHIP program that added hundreds of thousands of young people to the health insurance coverage rolls. He believes it is an example of how legislation can address problems in stages "without taking the entire system down."

"This is a huge problem that President Obama inherited," Lugar said of the economy. He said that the sweeping plans pushed by Obama and by Sens. Ted Kennedy and Christopher Dodd "are very untimely in terms of the economic recovery." Lugar said that while there are "green shoots" that bring hope that an economic recovery is underway, he expressed concern that such a recovery is unlikely to come soon.

Lugar told Howey Politics Indiana on Monday that the "economic



crisis is not resolved" and adding what some estimate to be \$1 trillion with health care reforms could result in later economic crisis or catastrophe. "There has been very little analysis given the status of debt," Lugar said, adding that he had addressed the weekly Senate Republican luncheon on the topic and was urged by other senators to "take to the floor" of the Senate or write newspaper op-eds on the subject. After talking with HPI late Monday morning, press aide Andy Fisher said Lugar decided to write the op-ed article HPI posted Tuesday afternoon.

Asked whether he believed President Obama was promising something impossible when he said at his July 22 press conference that he wouldn't sign a bill that added to the federal deficit, Lugar answered "yes" and expressed surprise that the president would say so. "He has a monumental task at hand but the economy is in such bad shape," Lugar said.

Lugar noted a Washington Post story on Sunday in which deaths from coronary illnesses declined from 448 people per 100,000 in 1970 to 135. He said the "genius of American medicine" has led to more costs and this dilemma: "If you have a life-saving drug for one person" would it be there for all? It also creates a dynamic of "millions of people living longer for many years."

As for cap-and-trade, Lugar said he believes the legislation will have a hard time passing out of the Senate and expressed concern that legislation similar to the Waxman-Markey bill that passed the House will cause an increase of 10 to 15 percent in electric bills for Hoosier families and industries. "The problem with cap-and-trade in the House was it wound up with many promises to various members in the House," Lugar noted.

He said there were 300 pages of such promises largely unread prior to passage and that many would be wiped out in the Senate or in conference committees this fall. Lugar said that in a recent Senate Agriculture Committee hearing, that sector of the economy was creating 7 percent of the carbon dioxide problem, but additional costs from cap-and-trade could amount to \$8 billion for the sector.

Lugar thinks the dilemma with cap-and-trade is that there are only a few years left before higher levels of CO2 will result in "irreparable damage" to the planet. He said prospects of the emerging industrial nations of China and India signing on to carbon caps are not good. Indian officials told Secretary of State Hillary Clinton they were not interested. And while China appears to be accelerating its nuclear power program, it is still adding two coal fired power plants every week.

Lugar emphasized that the vast problems with economic recovery also make the timing of cap-and-trade passage problematic. Obama appears to be compelled to forge much of his agenda during his first year in office, even with the economic crisis resulting in staggering deficits. The thought was that the president would have two or three years for results to kick in before his re-election campaign. Instead, the deficits could spawn additional economic crises.

Lugar urged further energy conservation as another incremental step, noting that programs to make federal, state and local government buildings more energy efficient would be a good step. But, "Where do you get the dollars to do these things?" he asked.

He said that President Obama's \$780 billion stimulus package ended up fulfilling the Democratic Party agenda. But instead of stimulus money becoming immediately available, much of the money won't be spent for another two or three years.

Asked if he has much contact with President Obama on his emerging agenda, Lugar said no. He is pleased that Obama has taken his work on weapons of mass destruction seriously, but said Obama has had no dialogue with the senator he so often referenced during the campaign.

Lugar, however, left that door open. In his op-ed, Lugar said, "We must provide valid hope of constructive vision, idealism, and change in the future. I look forward to working with the President and my colleagues to tackle first things first." ❖



The Obama campaign used Lugar in this TV ad during the 2008 presidential race.



Bayh, from page 1

packed the council chambers as an income tax increase was about to be voted on, locking hordes of anti-tax protesters out on the street in 90 degree heat, was this: "The most astounding thing is that political establishments in both parties appear to be tone deaf. Like Garton, they think millions of dollars will protect them from the populace that is arming themselves with pitchforks, tar, feathers and rails. The blogosphere and mainstream media are sensing blood in the water. We believe

Mayor Peterson is in treacherous seas here." A few weeks later, we noted that if Ballard could raise \$250,000 (Peterson had 10 times as much money) and could run a couple of weeks of TV, there could be an upset.

As we all know, today we have State Sen. Brent Waltz, State Sen. Greg Walker and Indianapolis Mayor Greg Ballard in office. All waged challenger campaigns against titanic political leaders who appeared entrenched. All faced staggering money disadvantages. And all their rivals misread the mood of the populace and were subsequently ousted.

Could it be possible ... to even ... ponder such a fate for the Bayh dynasty?

The answer is, yes, but

Conventional wisdom

To the purveyors of conventional wisdom, Bayh is simply unbeatable. The Bayh family has held this Senate seat for five terms since 1962. The senator is sitting on \$12 million cash and could probably double the amount between now and November 2010. He has a firm grip on the Indiana Democratic Party. His recent poll numbers show his approval rating in the 60th percentile.

The Bayh re-election campaign will assume nothing. There was a phone conversation with then-campaign manager Tom Sugar during Bayh's first Senate re-election in 2004 when he faced the uninspiring Butler Prof. Marvin Scott. Sugar noted that everyone thought Bayh was invincible. "But I've got to run this campaign like we're only 4 percent ahead," he said.

The junior senator has it all: beautiful wife, hand-

some sons, the dynastic Bayh name, good looks, big war chest, squeaky clean image, and vice presidential finalist just a year ago.

But Sunday's Indianapolis Star began stripping the sheen off the image Bayh that has painstakingly created since 1985 when he emerged as a secretary of state candidate. Bayh's wife made \$2.1 million while serving on the boards of eight health-related companies. All her board memberships came after he was elected to the U.S. Senate in 1998.

The Star's Daniel Lee wrote: Questions persist, however, for at least two reasons. First, Evan Bayh has been unclear about his positions on many issues related to health-care reform. Second, there's the timing of Susan Bayh's rapid rise into corporate governance. Susan Bayh, who was a midlevel lawyer for the politically active Eli Lilly and Co. while her husband was governor of Indiana, did not serve on the board of a single public health-care company until it was clear her husband was about to ascend to the U.S. Senate. Only one month before Evan Bayh was elected to the Senate in a landslide vote, his wife was appointed to serve on the board of what would become the nation's largest health insurance company - and arguably the company

with the most at stake in the health-care reform debate. Within a few years, numerous companies recruited her, and she eventually served on the boards of eight companies.

The Star reported, "What makes her appointments suspicious and worrisome is the fact that most of these board positions came after Evan Bayh was elected to the Senate," said Craig Holman, government affairs lobbyist for Washington, D.C.-based Public Citizen, a consumer advocacy group in favor of a single-payer health-care system. "The situation that the Bayhs are in poses a very serious and obvious conflict of interest, and one that should be worrisome to the public and to the senator."

That Sen. Bayh has not articulated much of a position on the issue of the day came to the forefront with Fox News on April 12. Anchor Chris Wallace said a huge concern of the private sector is that "everybody will end up in the government program."

Bayh responded, "Well, it's a debate we need to have, Chris. And I'm agnostic on that as we sit here this morning."

With this issue, several potential dangers emerge for the incumbent. The senator's squeaky-clean image is put into question. His wife turns from asset to potential liability (imagine a Republican challenger using her in a TV



Susan Bayh and Sen. Evan Bayh. (Bloomberg News)



ad). The huge cash-on-hand advantage could become a point of contention and, as with Borst, Garton and Peterson, be negated if a challenger can build momentum on a politically sensitive issue. And with Garton and Borst, health care turned out to be the volatile issue.

If Bayh votes for the health care reforms, he could lose some of his Republican "base" and some of his independent support. If he votes against the reforms, he will alienate the liberal Moveon.org wing of the Democratic Party, which has already attacked him for parting with President Obama on key votes such as the release of the TARP funds and the \$3.5 trillion budget.

In the May 7 edition of HPI, columnist Ryan Nees observed: Bayh's last two years have been stunningly erratic: he's gone from being the 72nd most conservative member in the Senate (2006) to the 47th (2008) - and in the Democratic caucus, from the 16th most conservative member (2006) to the 1st (2008). That is, if one were to forecast such things, keeping that dizzying rate of change linear ($y = -12.5x + 72$), he'll be more conservative than any other Republican in the Senate by Sept. 4, 2012 - just in time for the next presidential election!

Bayh's Senate voting only underscores the malleability of Bayh's voting depending on his next political goal, whether it is to run for president (more liberal), positioning himself to be Hillary's vice president, then Obama's, and then a tack back to the center/right when his own re-election is lined up. It underscores a phrase heard since the early 1990s at the Statehouse: "It's all about Evan."

The 2008 elections put some dents in Bayh's invincibility. He had endorsed Hillary Clinton in September 2007 when her nomination was "inevitable." When the Obama-Clinton race came to Indiana with clearly a new dynamic, Bayh's clout within the Democratic Party became muddled when Clinton won by less than half a percent, and the late, late, late returns from Gary and Lake County robbed her of the desperately needed momentum she needed and subsequently lost.

Obama's historic victory in Indiana came on the strength of his 49 visits to the state during 2008, his powerful organization, and can not be attributed to Sen. Bayh.

Throw in what is a likely drop in President Obama's polling numbers between now and November 2010, the volatile economy, and the fact that the president's first mid-term in a crisis environment can be dangerous for his party,

and this presents the "conditions are right" scenario for upset.

Bayh, critics respond

Sen. Bayh defended his family in the Star, saying, "I'm going to do what I've always done . . . vote my conscience and do what's right for the people of the state. Period. Her activities have had zero influence on me in my official capacity."

But Bayh found at least one critical voice responding to that quote. Former state representative Dan Dumezich told HPI that the incumbent has a "fundamental misunderstanding of what the word 'conflict' means. There is no way that is not a conflict of interest," said Dumezich, who called it a "lack of judgment" on Bayh's part.

The challengers

At this early point, an HPI Horse Race status on Sen. Bayh's re-election prospects would hover between the "Safe" and "Likely" categories. The July 23 edition of the Rothenberg Political Report has the race "Safe" for Bayh. These were similar to early Horse Race statuses for Borst in 2004, Garton in 2006 and Peterson in 2007.

The danger zone for Sen. Bayh would be the emergence of a credible challenger who then taps into blowback against an increasingly unpopular president and a catalytic issue such as health care reform.

There are now three Republicans in the equation. Last Saturday, Don Bates Jr. of Winchester kicked off his campaign. State Sen. Marlin Stutzman has formed an exploratory committee. And Dumezich is in the final month of weighing the race.

Bates is a political neophyte and he is acting like one. The Wells Fargo financial adviser who works in Richmond began his campaign at the Wayne County Fair Saturday night and then went on vacation. "Rest of this week, I'll be out of loop," Bates told HPI on the phone Wednesday. A normal candidacy would have used the campaign kickoff to barnstorm the state in an introductory mode.

Asked what to expect of his campaign, Bates said, "You're going to see the type of rally, three or four of those around the state" with the Gatlin Brothers Band. "From a political point of view, they share our philosophy," Bates said of the band, which doesn't reside in Indiana. "We just hit it off in an in-



Don Bates Jr. kicked off his GOP campaign last Saturday, then went on vacation. (Richmond Palladium-Item Photo)



credible way. We'll do one or two more before the primary. I love music. What we're going to do is make campaign rallies a good experience."

As for issues, Bates explained, "It is my humble opinion that the government is over-reaching into the private sector. This didn't happen over night, but since Jan. 20 2009, it's gotten incredibly worse. General Motors has been nationalized. Health care is on the brink of being socialized. It's the invasion of the federal government into the private sector. That's the heart and soul of my campaign."

And on the hot topic of Susan Bayh, Bates explained that he did not plan to make her health board memberships an issue. "Not at this point," he said. "The article speaks for itself."

As for Sen. Bayh, Bates explained, "Hoosiers are frustrated with career politicians.

The junior senator is a good man. I just think Hoosiers are ready for new representation. Hoosiers know the Obama administration will not be stopped by one junior senator for Indiana. The senator cannot stop his party. For the first time in tenure, his vote matters as the 60th vote in the Senate. It is of extreme importance at this juncture of this country's history."



DAN DUMEZICH

Sen. Stutzman is largely unknown across the state outside of his House and now Senate districts in LaGrange, Steuben and Noble counties. He raised only \$16,000 during the second quarter, though the General Assembly special session hamstrung his fundraising. During a Fort Wayne Access TV interview, Stutzman earlier this week acknowledged, "people are talking about health care" and added, "People think they are shoving this down our throats."

Then there is Dumezich, who was the only one of the three to respond to the Star article. Dumezich is a former Schererville city judge who served two terms in the Indiana General Assembly, leaving after he said he had accomplished his goals. He is a partner in the Chicago law firm of MayerBrown, specializing in tax litigation.

Dumezich, an ally of former congressman David McIntosh, has a reputation as a prolific fundraiser. He told HPI he has "laid low" while spending 30 to 40 hours a month talking with potential donors. "I want to make sure we have people willing to invest \$6 million to \$7 million needed to get there," he said.

Dumezich indicated that he would "ramp up" his schedule to about 80 hours a month prior to his decision. He added that he would make a final decision "in the next month."

Should Dumezich enter, he would become HPI's

Republican Horse Race frontrunner due to his fundraising abilities, his Lake County base, his experience as a judge and legislator, and his ties to statewide GOP circles. He would also articulate a more pointed case against Bayh than Bates or Stutzman have shown to date.

Epilogue

Having pointed out all of Sen. Bayh's vulnerabilities, the recent upsets in the Indiana political scene, a defeat of this senator would make Peterson's "upset of the century" by Ballard pale in comparison. When you talk of political dynasties and power, nothing has rivaled what we've seen out of the Bayh and Lugar organizations in Indiana. While localized defeats of powerful figures have been confined to Senate districts or a city, running such a campaign on a statewide level is a different animal.

What cannot be under-estimated is Bayh's level of support among the Democratic establishment. While we've heard some rumblings from labor circles about Bayh's tepid support of the Chrysler and General Motors revivals - he was largely inconspicuous - Bayh can still count on vivid labor support, though they are watching closely his position on union card check legislation.

Also undetermined is whether Bayh has the kind of Teflon that protected political figures like President Reagan.

And Bayh's reputation as a fiscal conservative will face a critical moment this fall when the Senate Health and Finance Committee versions of the health care reforms will be up for reconciliation. Bayh helped create a moderate Democratic bloc and that group could be the fulcrum on which the fate of the legislation rests.

The other dynamic is that Borst, Garton and Peterson may not have fully understood the depth of their crises until it was too late. The fact that Evan Bayh managed his father's losing 1980 re-elect to Dan Quayle was a career-shaping event. If any Hoosier politician understands the dangers lurking out in the ether, it is Bayh. The junior senator's problem is that sometimes his constant political calculations overshadow the notion of just doing the right thing and letting the political consequences abate in the sunshine of sound public policy.

After the presidential chapters concluded in 2008, Indianapolis Star columnist Matt Tully urged Bayh to dedicate himself to a cause and earnestly work it. What we've seen since is a cascading display of Bayh positioning himself for the re-elect, which can be dangerous. Several U.S. senators lost re-election campaigns after seeking the presidency (i.e. George McGovern, Tom Daschle).

Should Dumezich pass on this race, Bayh's path to a third term will be less fraught with danger. If the former judge does indeed enter, then this could be Evan Bayh's most intense political experience since his 1988 win for governor over Lt. Gov. John Mutz. ❖



Supt. Bennett has a vision, a plan, allies ... and a deadline

By **BRIAN A. HOWEY**

INDIANAPOLIS - Supt. of Public Instruction Tony Bennett has a vision. A plan. A deadline. And powerful allies.

On Tuesday at the Education Roundtable and on Wednesday with the Professional Standards Board, Bennett began unveiling a new strategy that he hopes will result in 90 percent of students passing both math and English/language arts sections of ISTEP+ and End-of-Course assessments. He hopes that 25 percent of all graduates receive a score of 3, 4 or 5 on at least one placement exam, a 4 or higher on the International Baccalaureate exam, or receive the equivalent of three semester hours of college credit during their high

school years.

Bennett also wants to see 90 percent graduate from high school, which is up from the current 77.8 percent rate.

While the standards board balked at "rubber stamping" his reforms on Wednesday (See page 14), he has powerful allies in President Obama, U.S. Education Secretary Arne Duncan and Gov. Mitch Daniels. Behind him stands a family of athletes "where the concept of education as a competition is woven into my family." It was a theme he articulated during his inaugural address last January.

Last Friday in a conference call with reporters, Duncan vowed to change public education with "moonshot" urgency. "To every governor who aspires to be his state's 'education governor,' this is your moment," Duncan said. "Today, President Obama is to announce the draft guidelines for applying for the \$4.35 billion Race to the Top fund -- by far the largest pot of discretionary funding for K-12 education reform in the history of the United States."

Duncan asked, "What are we looking for? The president starts from the understanding that maintaining the status quo in our schools is unacceptable. America urgently needs to elevate the quality of K-12 schooling and boost college graduation rates, not simply to propel the economic recovery but also because students need stronger skills to compete in a global economy."

Duncan and President Obama want a mix of charter schools, longer school days and years, using student tests to grade and reward teachers and urging teacher unions to use collective bargaining as a path to reform, "not an impediment." Duncan cited Indiana as one of several states already making reforms, with Indiana lifting





a cap on charter school growth.

Bennett drew upon his career that began in 1983 as a biology teacher, varsity basketball coach and superintendent as a starting point for what he calls "systemic" changes. After winning election last November to an office that had been occupied by Supt. Suellen Reed for two decades, his transition team conducted a situational analysis of all Department of Education areas. "We had all that data as well as recommendations" that were put into a master document.

It featured the vision: "The academic achievement and career preparation of all Indiana students will be the best in the United States and on par with the most competitive countries in the world."

Outside his office stands a scoreboard with Indiana's status and the time left in his term.

His structural changes are already rattling educators and the legislature. He successfully fought for the removal of a cap on charter schools during the past Indiana General Assembly session, which poised Indiana for a pole position in the Obama-Duncan "Race to the Top," with a pot of \$4.5 billion awaiting states willing to reform their public schools.

He ordered an end to half days. He noted that by increasing the 1987 A Plus standard of 180 school days to 195 days, the typical Hoosier student will have spent an additional 180 days in school over 12 years. "That's a full year of instruction that European kids get and we don't," he said.

Bennett asks, "Are newspapers different than they were 30 years ago? Did you have an ATM card 30 years ago?" Education, he answers, "looks similar to what it did 30 years ago."

"Today we're talking about fundamentally changing education," Bennett said. And it must be systemic.

As Howey Politics Indiana first reported last week, Bennett is moving to change how teachers are educated, emphasizing more on the topics they will teach, with an emphasis on more core subjects like math, English and the sciences. It would streamline the credentials for principals and superintendents. For instance, a person with a master's degree could become a superintendent if he or she could pass a test.

While he had heard Secretary Duncan speak just days before Obama's appointment, it has become steadily clear that the Obama and Daniels administrations are talking off the same script. Or as Bennett explains, these aren't "political issues. It's a child issue."

Bennett believes that while President George W.

Bush's No Child Left Behind Act was flawed and underfunded (Obama's stimulus funds are now flowing toward the NCLB goals), it ushered in a new era of accountability. Thus, the 90 percent graduation rate he is seeking by 2012 "puts us ahead of where Indiana students should be under No Child Left Behind."

The myriad of changes are ruffling feathers, though Bennett said he has maintained a good dialogue with the Indiana State Teachers Association. Some local superintendents are critical about the end of half days. The Indianapolis Star quoted Pat Rogan, executive associate



dean of the education school at Indiana University-Purdue University Indianapolis, reacting: "I don't really understand the rationale for imposing those kinds of restrictions. Why would we ever want to eliminate even minimum standards for licensure? We need to be increasing the standards."

Indiana University Dean of Education Gerardo Gonzalez told the Star he is concerned about the speed of the rule-making process and the lack of consultation with education leaders. "Here is probably one of the most significant changes that have been advanced around teacher licensure in the state of Indiana and the deans of education received notice the day before the meeting occurs."

Bennett cites the movie "Teachers" starring Nick Nolte and Jo Beth Williams. Nolte explained, "Schools weren't built for adults, schools were built for children."

Thus, Bennett will push flexibility and innovation. Indiana, he said, became the first state to adapt laptop computers to textbook reimbursements. A student participating in marching band could get credit for physical education (and marching band is certainly exercise), allowing that student to pursue another core course.

Graduation performance will bring award money to principals who will pass it on to top performing teachers. Teaching seniority will give way to performance.

"It all goes back to that 90 percent," Bennett said of the graduation rates and student assessments.

As for results, there's that scoreboard in the north atrium, right outside his office. ❖



Blue dogs have a day, GOP needs the hue

By **MARK SCHOEFF JR.**

WASHINGTON - When Rep. Baron Hill was campaigning in 2006 to recapture the seat he lost two years earlier, he had effusive praise for Rahm Emanuel.

"Rahm Emanuel is a genius," Hill said that summer. I no longer have my notes from that interview, but Hill's statement made such an impression that I remember it word-for-word.

At the time, Emanuel was head of the House Democratic campaign committee. He provided the resources and strategy to lead Democrats to a takeover of the House.

One of the reasons the Democrats won is because Emanuel recruited candidates like Hill who could prevail in conservative-leaning districts. Many of them have since joined the Blue Dog Coalition, a group of 52 moderate Democrats.

Now Emanuel, as White House chief of staff, is having to deal with the Blue Dogs again. Seven of them have held up work in the Energy and Commerce Committee on a health care bill over the last couple weeks as they tried to extract more savings.

Emanuel was a player in the negotiations that resulted in a deal on Wednesday for the panel to move ahead with its markup. The Blue Dogs say that they got a guarantee from the commerce panel chairman, Rep. Henry Waxman, D-California, that several of their priorities would be considered.

For instance, small businesses with a payroll of less than \$500,000 would be exempt from mandatory coverage; a public insurance option would have to negotiate rates directly with providers; further protections for rural hospitals would be included; and the final bill would cost less than \$1 trillion.

But the most important concession is that House leaders agreed to delay until September a floor vote on a final health care bill, which will have to be cobbled together from measures approved by the House commerce, labor and tax committees.

"**These are significant** changes that will dramatically alter the current bill for the better," Hill said in a July

29 statement. "But it's also one step of a very long process. Step two is going home to southern Indiana and hearing from direct stakeholders and my constituents about ways we can further improve such legislation."

Hill and the Blue Dogs are getting what they want - influence. In an HPI interview last week, Hill said that he is hearing from friends he hasn't been in contact with for decades. They are coming out of the woodwork because they've seen Hill in the news.

The spotlight will continue to shine on Hill and his colleagues during the August congressional recess, when they're likely to get an earful from voters about health care reform. The issue will be in flux during the dog days of summer. One Senate committee has approved a measure, along party lines, while another committee is struggling to reach a bipartisan compromise.

The Republicans also will be busy during August. Already the National Republican Congressional Committee is labeling Hill and other Blue Dogs as enablers of a government takeover of health care. The NRCC blasted out a statement on Wednesday headlined "Countdown to Cave In."

Whether Hill and other moderate Democrats will produce a health care bill that is closer to the middle of the road than more liberal options that have come out of some congressional committees will be a matter of perception.

Capitol Hill liberals are already revolting against the changes afoot for the House commerce panel product. But Rep. Charlie Rangel, D-New York and chairman of the House Ways and Means Committee, hailed the survival of the public option in the midst of all the House negotiations.

These swirling political currents are ultimately strengthening the Democratic pool. The party obtained majorities in the House and Senate by broadening its membership to include the more centrist Blue Dogs. The ideas they promote are forcing the liberal wing of the party to compromise.

Republicans should take note of the Democratic gyrations on health care. They need to expand their party as well. In the GOP case, however, letting in more moderates means welcoming those who are to the left of where most of the caucus is right now. That would help build the base in the northeast and Midwest, where Republicans suffered big setbacks in 2008.

The best legislative process would involve Democrats trying to hold their liberal and moderate factions together while the Republicans work to find consensus among conservatives and moderates. Then the two parties would have to find agreement with each other.

As a result, a final health care bill - or any legislation - would have arrive at a point that is more palatable to what remains for the most part a center-right electorate. ❖



REP. BARON HILL



Luke warm reception for tuition reduction

By **DAVE KITCHELL**

LOGANSPORT - Many Hoosiers in higher education have to read a story about legislators asking college presidents to reduce tuition and fees with disbelief.

State Sen. Luke Kenley made front page news in the Indianapolis Star Tuesday after a legislative hearing in which the presidents of Purdue and Indiana were asked to partially or totally rescind tuition increases for the coming year. Kenley, a prominent Noblesville Republican with a strong finance pedigree, reportedly argued the increases would make it difficult for young Hoosiers to earn a college degree.



Unfortunately, it's not going to happen because university trustees and officials are luke warm to the idea of dropping revenue, particularly this soon before a school year. But more to the point, any legislator calling for lower tuition in Indiana is like a pot calling a kettle black. If anything, Indiana, traditionally one of the worst states in percentage of adults 25 and older with college degrees, has underperformed in getting young people through at least four years of college and into a workplace.

Let's pause for a second to acknowledge the things legislators and governors have done to promote college attainment in this state. They have adopted state savings plans for college, which every state has. They have converted Ivy Tech into a statewide community college system bursting at the seams which requires more funding. They have given at-risk students a chance to get ahead in life if they remain drug-free, graduate and maintain a C average. To that, we all should say thank you.

But let's be honest. More has to be done.

It's ironic that on the day when the Star endorsed Sen. Richard Lugar's recommendation to the president to focus on the economy and not on health care reform, legislators were quoted asking universities to spend and charge less. The economy is a priority in Indiana, and putting people in college classes has to be a priority now even as state officials grapple with their own health care reform, the IBM Medicaid debacle. With so many Hoosiers out of work, so many cities and counties facing cuts in services because of revenue shortfalls and so many mortgages teetering on the brink of foreclosure, people need jobs universities provide. Even more than that, those who don't work for universities or for anyone else need to be in classrooms retooling themselves for the next economic tide that rises all boats.

For those reasons alone, legislators ought to be

doing more to find ways to put students – particularly non-traditional students who are out of a job - back to work. Legislators ought to be concerned when some of the state's best employers such as Caterpillar are working with skeleton forces.

But even more alarming is that Caterpillar employees in Lafayette could be taking classes at Ivy Tech or Purdue across town if there were more incentives in a state safety net for them. Granted, there are federal student loans which will finance them while putting them in debt for much of the rest of their lives, but these students don't need more debt. They need a way to attend college without crippling the prospect of dipping into retirement income or jeopardizing their own healthcare or their child's chances of going to college.

I know there have to be people out there wondering why I haven't mentioned the fact that many people work their way through college, and many do. But jobs, even jobs for students, are not as plentiful in places like Tippecanoe County as they were even three years ago.

It would be nice for legislators to examine policies that encourage firms in the state to offer scholarship programs for employees. Tax incentives would be a start. It would be nice if legislators encouraged businesses and industries to offer paid internships to traditional and non-traditional students. As it is, many are facing a double whammy: They are billed from their institution for the credit hours for an internship and forced to work a summer job so they can afford to take an unpaid internship.

It's easy for armchair fiscal quarterbacks to sit back in their La-Z-Boys and shake their remote controls at the high cost of higher education, but how many industries increasingly subsidize their own ends by giving scholarships to their employees?

University funding is a vicious cycle: States provide less funding, costs go up and so universities have to raise fees. At the end of the cycle, legislators complain that fees are going up. What's wrong with this picture.

What legislators were really saying to the presidents of Indiana and Purdue this week was this: "Never mind the fact we didn't give you the money you asked us to provide, we don't want you to raise fees to make up the difference. If you want to have the lowest paid faculty and staff in the Big Ten so be it. Go make up the difference with fund-raising and grants."

Fortunately, both universities will make a ministerial acknowledgment of the legislative request - and do nothing. Hoosiers need them to advance college attainment in this state and produce a more skilled work force that can revive the state's economy.

One wonders if the legislative logic were applied to the Indianapolis 500 how it would play out. If it did, Tony George's successor may change the race's opening line to, "Ladies and gentlemen, idle your engines."❖

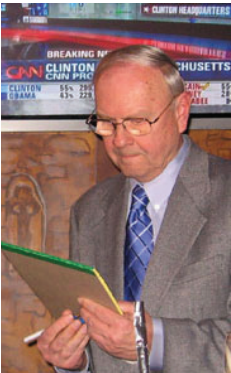


Hoosiers won't get something for nothing

By JACK COLWELL

SOUTH BEND - You don't get something for nothing.

That's true with services provided by government, just as it was with Bernie Madoff's Ponzi scheme. Madoff promised something big, a fortune, for nothing more than letting him do your investing.



If it sounds too good to be true, it probably is.

Government officials sometimes offer something too good to be true. So it was with Gov. Mitch Daniels and members of the Indiana General Assembly, Democrats and Republicans, as they clamped caps on property taxes.

Cutting property taxes was popular. And needed. There had been terrible property tax problems brought on in large measure by court-ordered changes in assessing. The situation in Indianapolis, especially, was outrageous.

The governor and legislature did something about property taxes. They decided on a bunch of arbitrary caps to lower most property tax bills and lower as well the revenue produced by the tax.

Taxpayers were getting something. Something for nothing?

If you believe the answer is "yes," you would have been a perfect, naive target for Bernie Madoff, the Enron entrepreneurs or a fast-talker offering to sell stock in the Colfax Bridge.

In curtailing property tax revenue, the caps, numbers from some political ouija board, slowed the flow of the lifeblood of cities and counties, the money to provide services, things like fire and police protection, a court system and jails, parks and playgrounds and lots more determining the quality of life in our communities.

To their credit, some supporters of the property tax caps warned that there would be a cost, a crunch for already hard-pressed local government, and state legislators provided additional local option income tax possibilities to provide some help.

In passing the legislation, the state passed the buck to local officials, forcing them to make severe cuts in the most costly and also most important services or to hike option taxes significantly to cope with property tax losses

- or to do both.

Those still pretending the scheme gave taxpayers something for nothing say, well, local government could just cut spending. They suggest they're talking about cutting waste. That way the deal sounds as good as anything Bernie Madoff offered.

Although most cities and counties already had trimmed budgets, with wages for governmental workers embarrassingly low and a backlog of delayed improvements, there is some waste. Of course. Some waste can be found in any human endeavor, whether governmental or private enterprise. Some expenditures could be unneeded. Some duplication no doubt could be eliminated. Maybe even some hardship such as the closing of parks and playgrounds could be endured.

But saving a thousand dollars here, a thousand dollars there and even a hundred thousand some place - or a million - doesn't make up for the huge cuts from the slash in property tax revenue.

If waste can be found, cut it.

But it can't add up to anything approaching a solution for the tremendous loss of property tax revenue - the \$20 million shortfall for South Bend or the \$10 million for St. Joseph County. And those are just for 2010. It gets worse in 2011.

Well-meaning folks who don't believe or understand the gravity of the situation can imagine the budgets contain lots of easily trimmed fat, but local residents have not been living high on the hog, getting all kinds of unneeded services. Big cuts mean cuts in the big expenditures, laying off police and firefighters and curtailing quality of life just as cities and counties seek to attract new employers and hold down unemployment.

And so the South Bend and St. Joseph County councils passed option income tax hikes.

Mishawaka's council didn't have to vote, knowing it will enjoy the salvation of additional revenue without need to anger any taxpayers by voting for it. Any two councils in the county have the power to enact option tax changes.

The saga of local officials left to deal with this is playing out all around the state. Doesn't matter whether the local officials are Republicans or Democrats. They get blame as they cut and tax and try to keep their communities functioning. They know that the property tax caps were not something for nothing. They see the real cost. ❖

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



School formula math in the 2009 legislature

By **LARRY DeBOER**

WEST LAFAYETTE - The school funding formula was one of the sticking points in this year's state budget debate. To understand why, consider an example.

Suppose the state has \$20 million to divide between two school districts. Each district has 2,000 pupils. An easy way to slice this pie is to distribute \$5,000 per pupil, so each district gets \$5,000 times 2,000 pupils, which is \$10 million.



Suppose, though, that one school district is growing and the other is declining, each by 100 pupils per year. Last year, the declining school district had 2,100 pupils, and the growing school district had 1,900 pupils. So, at \$5,000 per pupil, last year the declining school district got \$10.5 million and the growing district got \$9.5 million. If each gets \$10

million this year, the growing district gets an increase and the declining district gets a cut.

The growing school district is fine with that. "Our costs depend on the number of kids we need to educate," its superintendent would say. "Now that we have 100 more pupils, we'll need money for added teachers, desks and maybe even a temporary classroom building. We need that extra half-million."

"Not so fast," says the superintendent of the declining school district. "Not all costs depend on pupils. We still have to pay utilities and insurance for our buildings. We may be able to close a building, if enrollment keeps dropping, but the neighborhoods hate it when we do that. And besides, our one-and-only high school has to stay open. We have 100 fewer pupils, but we can't live with a full half-million dollar budget cut."

Growing and declining school districts have different ideas about how the school funding formula should divide up available revenues.

Now consider the 10 most rapidly growing school districts over the past five years. They're mostly suburban districts. Hamilton Southeastern in Hamilton County is No. 1 on this list. Its enrollment grew 46 percent over this period. This list also includes Clark-Pleasant in Johnson County, Crown Point in Lake County, and Brownsburg in Hendricks County. These 10 districts are represented in the Indiana House by 13 legislators. Of these, 11 are Republicans and two are Democrats.

How about the 10 most rapidly declining school districts? They're a combination of urban and rural districts.

Gary Schools in Lake County has had the biggest enrollment drop, 28 percent over the past five years. Also on this list are Indianapolis Public Schools, West Washington Schools in Washington County, and North Judson-San Pierre Schools in Starke County. These 10 districts are represented in the House by 26 legislators, 20 Democrats and 6 Republicans.

In the House, Democrats are more likely to represent declining districts, and Republicans are more likely to represent growing districts. The pattern is similar in the Senate; however, since there's a big Republican majority there, Republicans represent more of both kinds of districts.

Elected legislators represent the interests of their constituents. So, the Senate (controlled by Republicans) originally proposed that, in the school formula, enrollment be measured by the current enrollment number. The House (controlled by Democrats) originally proposed that enrollment be measured based on a five-year average, or current enrollment, whichever is greater.

A five-year average will produce a bigger enrollment figure for a declining school corporation. Those higher pupil numbers from past years will still influence this year's revenue distribution. Averages of past enrollments won't help growing districts.

In our example, a five-year average sets the declining district's enrollment at 2,200. The five-year average for the growing district is 1,800, so its formula enrollment would be the current figure, 2,000. Dividing the \$20 million by total formula enrollment, 4,200, gives \$4,762. The declining district would receive a little less than \$10.5 million; the growing district a little more than \$9.5 million. The changes from the previous year would be very small.

At the end of the special session the two sides compromised at the greater of a three-year average or current enrollment.

Democrats supported formula arithmetic that helped declining districts more. Republicans supported formula arithmetic that helped growing districts more. That means that some of the partisan divisions that helped prolong the 2009 legislative session were based on real differences in the needs of legislators' constituents. ❖

Larry DeBoer is a professor of agricultural economics at Purdue University.



Sylvia Smith, Fort Wayne Journal Gazette:

When the \$787 billion stimulus program was signed into law in February, Americans were divided into three categories: people who thought it was the only way to stop the economic down spiral; people who were freaked about the price but willing to trust President Obama; and people who thought it was a lousy idea (or who would never support an initiative of this White House). Obama was never going to persuade the last group of the wisdom of the giant spending program. And doubtless there are some folks who would trust Obama no matter what. But the bulk of the country fell into that middle group. Obama's pledge of transparency for the stimulus spending was clearly a signal that he knew the trust was not infinite. He's very close to losing that trust by overpromising and underdefining. It was startling to see someone with Obama's fine political skills be as boneheaded as he and his administration were when they promised the stimulus would create "or save" as many as 4 million jobs. It's technically possible to measure how many jobs any single stimulus-financed road construction project produces. Ditto a contract for building windmills or a grant to weatherize the homes of poor, elderly people. Add them all up, and you have a valid number of jobs the \$787 billion stimulus package created. Economic modeling can probably predict the avoidance of layoffs if the economy improves by a certain percentage and when various industries are taken into account. But numbers will be vague and unverifiable. The mistake, it seems to me, is in combining those two to create a number, and then declining to say how many jobs would be created and how many layoffs would be prevented by the stimulus spending. Sen. Max Baucus put his finger on it in March. "You created a situation where you cannot be wrong," Baucus said to Treasury Secretary Timothy Geithner at a hearing. ❖

Gary Gerard, Warsaw Times-Union: I have simple, sound advice for anyone confronted by a police officer, regardless of the situation, your state of mind, your race or your gender. Just do what he asks you to do. It's that simple. For example, if he says, "Please step outside." Step outside. Don't start blowing him a bunch of crap. Just step outside. ❖

Phil Wieland, Times of Northwest Indiana: To all those who wrote or called to say what a bonehead I am for suggesting the region could benefit from a well-coordinated mass transit system, let me congratulate you on your profound grasp of the obvious. I understand the reluctance to support something people don't expect to use but for which they will be expected to pay. It's all part of the Indiana Legislature's plan to make it look like

they are helping us when they really are making sure this whole regional transportation authority proposal crashes in apparently spectacular fashion. The legislature, in its infinitesimal wisdom, mandated the referendum on creating the four-county RTA be held this November. As I wrote last week, the counties will have to spend extra money to hold a special election. That alone would cause a lot of people to vote against the referendum. What I forgot is



that requiring the election to be held this year rather than waiting for next year's low-cost primary or general elections almost insures the current economic meltdown will still be in full swing. This might be the first referendum to receive negative votes. A vote for the RTA is a vote for a quarter percent income tax, which the RTA would have the power to levy. Even during a booming economy support for a tax increase

would be limited mostly to the inmates of a mental health facility. During the worst recession in 80 years, nobody is crazy enough to vote for it, even if it was to feed starving orphans. The only exception might be the invisible riders Porter County Commissioner Bob Harper and Porter County Councilman Dan Whitten say use Valparaiso's V-Line. Invisible people have been a major voting bloc in East Chicago for decades, but it's unlikely enough of them live in Porter County to help the cause of trains and buses. ❖

Rich James, Post-Tribune: Even for an eternal optimist like myself, the possibility for the creation of a Regional Transportation Authority is tough to buy. Maybe impossible. Registered voters in Lake, Porter, LaPorte and St. Joseph counties will go to the polls Nov. 3 to decide whether to create the RTA. If two of the four counties approve the referendum, all four counties are on board for the expansion of bus and commuter rail. Let me see if I have this right. Unemployment is soaring, people are losing their homes and the future is uncertain. Despite those negatives, the Legislature is asking the voters to approve a one-fourth of 1 percent income tax to help fund additional bus and commuter rail. Yeah, sure. ❖

Publishing Note:
Howey Politics Indiana will be taking next week off.
The HPI Daily Wire will return on Monday, Aug. 10.

The weekly Howey Politics Indiana will return on Thursday, Aug. 13.





Obama numbers dip in NBC/WSJ Poll

WASHINGTON - Despite his public-relations blitz over the past two weeks to promote his plans to reform the nation's health-care system — including holding two town halls on Wednesday — President Barack Obama has lost ground on this issue with the American public, according to the latest NBC News/Wall Street Journal poll. Pluralities now say that the president's health care plan is a bad idea, and that it will result in the quality of their care getting worse. What's more, just four in 10 approve of his handling on the issue. The poll also finds that Obama's overall job-approval rating has dropped to 53 percent. And it shows a public that has grown increasingly concerned about the federal government's spending as the administration defends its \$787 billion economic stimulus and supports a \$1 trillion-plus health-care bill. "This is a president who needs a vacation," says Democratic pollster Peter D. Hart, who conducted the survey with Republican pollster Bill McInturff. "His job rating is ... certainly an acceptable mark. But if you look at it over time, it has [gone] south without a doubt."



Speculation on Obama return to Elkhart

ELKHART - When President Barack Obama came here in February, local officials were left with the impression that the commander in chief would return to the City With A Heart (Weinhold, Elkhart Truth). While speculation swirled Wednesday that the visit may happen sooner rather than later, city officials said they haven't heard anything from the White House

about an Obama return engagement. Owen "Butch" Morgan, Democratic chairman for Indiana's Second Congressional District, said there's been talk of another Obama visit for the past six to nine months. The timetable has been "flexible" and "fluid," he said, since no date was ever set in stone. According to Morgan, the exact date and time for a visit from Washington -- by Obama, vice president Joe Biden or another senior administration official -- is up in the air, he said, but could come as soon as Tuesday or Wednesday or be pushed back until the end of August or after Labor Day. "I think they're trying to work towards some sort of visit," said Morgan, who also chairs the St. Joseph County Democratic Party. "But I think there's an awful lot of speculation out there."

Questions remain for Carbon Motors

CONNERSVILLE - Carbon Motors received a frenzied red-carpet welcome from thousands of cheering residents Wednesday as it declared it would turn this job-starved city into the "police car capital of the world." But big questions remain about how the tiny startup company will deliver on its promise to create 1,550 jobs and begin producing high-tech police cars here by 2012 (Indianapolis Star). Carbon Motors needs to raise hundreds of millions of dollars in one of the tightest credit markets in decades and in the midst of a recession that has hammered other automakers across the nation. The private company declined to discuss its fundraising strategy or disclose the identity of its backers. Yet the company's goal is breathtakingly bold. It wants to dethrone Ford Motor Co. as America's top maker of police cars. Ford's popular Crown Victoria accounts for about 80 percent of the 75,000 police cars sold in the U.S. every year. Carbon Motors says its diesel-powered police car is faster and more fuel-efficient

than the Crown Victoria and other existing police cars. It hopes to make 40,000 of them a year and claims to have more than 10,000 orders already on hand. The company declined to identify any customers. Much is riding on Carbon Motors' next step. The company said it is applying for a federal loan from the U.S. Department of Energy's Advanced Technology Vehicles Manufacturing Loan Program to help finance engineering, model-building and crash-testing. Much of Indiana's congressional delegation has promised to help with the loan. But it remains unclear what options the company has if the loan doesn't come through. The Indiana Economic Development Corp. said it must resolve some problems on acquiring the plant, raised by Visteon's recent bankruptcy, and it must address some undisclosed environmental concerns. But Gov. Mitch Daniels told the crowd he was "utterly confident" that Carbon Motors would overcome all remaining hurdles and begin production as promised. "Any great company starts with a dream and a great idea," he said.

Newly laid off worker numbers rise

WASHINGTON - The number of newly laid-off workers filing first-time claims for jobless benefits rose last week, the government said, though the increase was mostly due to seasonal distortions (Associated Press). The number of people remaining on the jobless benefit rolls, meanwhile, fell to 6.2 million from 6.25 million, the lowest level since mid-April

Board puts brakes on Bennett reforms

INDIANAPOLIS - A state licensing board put the brakes Wednesday on state Superintendent Tony Bennett's plan to revamp teacher licensing rules after some complained the changes would downplay the im-



portance of learning how to teach. Opponents of some of the changes said future teachers need to understand teaching methods, not just be brilliant in their respective fields (Louisville Courier-Journal). "How you teach does make a big difference," board member George Van Horn said. "The 'how' is critical." Opponents said not anyone can become a superintendent. Stephen McColley, superintendent of West-Del Community Schools in Delaware County, said he was a teacher before becoming a bank executive and later a superintendent. His experience in business helped him understand the financial side of running a school district, but that was just a small portion of his job, he said. "Can I be a brain surgeon because I want to be a brain surgeon? No," McColley said. "School superintendents must be educational leaders, not a business person who looks at the bottom line."

South Bend girds for employee cuts

SOUTH BEND - Police will avoid layoffs next year, but the fire and parks departments won't, even with the recently approved local income tax increase, city department heads said Wednesday (South Bend Tribune). The leaders, coming before the Common Council with their 2010 budget proposals, said the new income tax revenue will prevent massive cuts in personnel and services, but won't completely replace revenue lost from state-enacted property tax cuts. Parks Superintendent Phil St. Clair said he expects his budget to still be short \$1.6 million, causing 17 employees to be laid off and another position to go unfilled by attrition. Most of those employees, comprising 15 percent of the parks department's total staff, will work in maintenance, since that division contains about three times more employees than any other in the parks department, St. Clair said. "Our primary concern was keeping the

facilities open," St. Clair said. "I know it's going to be a challenge for (parks maintenance superintendent) Mike (Dyszkiewicz) and his crew."

Muncie eyes COPS exemption

MUNCIE - There are exemptions for retaining police officers rehired with federal stimulus funds, according to guidelines for the \$1 billion public safety program (Muncie Star Press). And most communities should have known about grant conditions when officials applied, intending to receive the money, according to Gilbert Moore, spokesman for the U.S. Department of Justice's Office of Community Oriented Policing Services. Those guidelines, found on the DOJ's Web site, www.cops.usdoj.gov, allow a community to seek an exemption for paying the fourth year of salary and benefits for officers if there is a "severe fiscal distress, natural disaster or other mitigating circumstances." However, absorbing the federally funded officers through attrition, rather than adding the extra positions in a city budget with additional funding, does not meet the retention requirement. Local government has to pick up the cost for the fourth year. Mayor Sharon McShurley shocked some citizens and council members this week by saying she might not take the money even after the city applied for the competitive grant. McShurley said she was concerned about funding for a fourth year and wanted to learn more details of the program. In Muncie's case, the five officers that would be hired would have an average salary and benefit expense of \$360,000, or \$72,000 for each officer.

Vanderburgh sets hiring freeze

EVANSVILLE - Barring emergency or "extraordinary circumstances," Vanderburgh County will hire no new full-time or part-time government employees for the remainder of the year

(Evansville Courier & Press). The County Council approved the hiring freeze this morning during a session dominated by discussion about the 2010 county budget that will be shaped in August and passed in September. Council members tentatively agreed.

Political allegations fly at cop trial

CROWN POINT - A judge ordered the politically charged theft trial of a suspended county police sergeant to continue today despite defense demands for a mistrial (Dolan, Times of Northwest Indiana). Accountant Donald J. Smith is set to testify today that Mitchell King Jr. may be responsible for writing as many as 23 questionable checks to himself, his wife or for cash in 2004 and 2005 when he was treasurer for the Fraternal Order of Police's Chris Anton Lodge 125. King is pleading not guilty to charges he stole at least \$9,000 from the lodge. FOP leaders testified earlier they hired the accountant to conduct an audit after King admitted responsibility for the missing money. Hammond defense lawyer John Cantrell is arguing financial accountability at the lodge was too relaxed to prove any theft took place. He said King is being persecuted by Sheriff Rogelio Dominguez because King supports Dominguez's political enemy, former Sheriff John Buncich. Cantrell demanded Lake Criminal Court Judge Thomas P. Stefaniak Jr. halt the trial Wednesday afternoon after discovering financial records the accountant used for his audit that were unknown either to him or the prosecutor until now. Cantrell said the surprise documents contained evidence that could exonerate his client.