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Strong '99 fund-raising has state's congressmen sitting pretty

In the last quarter-century, challengers have tried 90 times to unseat incumbent U.S. House members in Tennessee. The incumbents won all 90 races. And this year isn't likely to break the trend. Financial disclosure statements filed with the Federal Election Commission show all nine Tennessee congressmen in a strong position to deflect or deter challenges.

The ability of an incumbent congressman to raise money — both from individuals and special-interest political action committees — is an important factor in the near-invulnerability Tennessee's representatives have shown. Big re-election bank accounts not only make possible state-of-the-art campaigns, they discourage challenges. Franking privileges, TV access, and name recognition are other advantages of incumbency.

Equally important is the way congressional districts are reconfigured every 10 years. The boundaries, usually drawn to favor either Democrats or Republicans, tend to protect incumbents. That helps explain why two senators — Republican Bill Brock in '76 and Democrat Jim Sasser in '94 — have lost re-election bids during the span in which no House members have. The last House members to be defeated were Republicans Dan Kuykendall in Memphis and Lamar Baker in Chattanooga in 1974.

Here's how the 2000 re-election bids are shaping up:

1st district. Rep. Bill Jenkins (R-Rogersville) reported raising \$80,369 last year, spent \$23,445, and had \$105,763 on hand as of Dec. 31. The district is solidly Republican, and he has no serious challenger in sight.

2nd district. Rep. Jimmy Duncan (R-Knoxville) has \$770,454 on hand after raising \$222,864 last year and spending \$101,928. He too represents a staunchly Republican district. Knoxville lawyer Jim Andrews, a Democrat, had considered running this year. The money factor forced him to drop the idea.

3rd district. Rep. Zach Wamp (R-Chattanooga) raised \$410,297 last year, spent \$171,944, and has \$615,550 on hand. While the 3rd is a swing district, voters have sided with incumbents — regardless of party — since Baker's '74 ouster by Democrat Marilyn Lloyd.

Wamp does have a Democratic opponent this year in Will Callaway, a former state Democratic Party operative. He'll wage a spirited campaign but is a decided long shot. He raised \$30,975 in the last six months of 1999, spent \$5,299, and had \$25,675 at year's end.

4th district. Rep. Van Hilleary (R-Spring City) last year raised \$488,032, spent \$121,125, and finished with \$362,450 in the bank. Hilleary, first elected in the '94 Republican landslide, captured 59.8% of the vote in an impressive 1998 re-election over Democratic state Sen. Jerry Cooper of Warren County.

This year's Democratic contender is LaFollette attorney David Dunaway. He raised \$105,969 last year but spent \$107,377. On Dec. 29, Dunaway took out a \$200,000 bank loan for his campaign.

The attorney faces an uphill fight. Not only is Hilleary better known and better funded, the rural district is a challenger's nightmare, stretching from the Virginia border through multiple media markets to the Mississippi line.

And Hilleary, especially since his resounding victory over Cooper, has been a GOP darling in the state. At the moment, though, he is not on the best of terms with Gov. Don Sundquist, who was highly irritated at a recent Hilleary commentary in *The Knoxville News-Sentinel* critical of the governor's income tax proposal.

5th district. In 1999, Rep. Bob Clement (D-Nashville) raised \$266,806, spent \$156,655, and wound up with \$652,092 in cash on hand. That's enough money to scare off most serious challengers. But one prospective opponent, foundation director and GOP activist Scooter Clippard, is undaunted by Clement's campaign treasury.

His worries are demographic: The district, encompassing nearly all of Davidson County and part of Robertson, is about 42% Democratic, 30% Republican, and 28% independent. Even under the best of circumstances, and with the seat open, a Republican candidate would have a tough row to hoe.

But if Vice President Al Gore is on the November ballot as the Democratic presidential nominee, Democratic

turnout will be heavy. That is especially true of African-Americans. About a fourth of the district's Democratic voters are black. Gore's national campaign is headquartered in Nashville, and his campaign manager, Donna Brazile, was in charge of the highly successful, if controversial, get-out-the-vote drive aimed at black voters by the Democratic National Committee in 1998.

Clippard, a former state GOP finance chairman and fund-raiser for Sundquist, has a finance plan ready. He's also taken a poll. The National Republican Congressional Committee, which usually writes off the 5th district, is interested in his prospective candidacy. And he could expect plenty of campaign help from the state's two Republican U.S. senators. But even if Bill Bradley were the presidential nominee, Clippard would be a long shot.

He will not run if Gore is on the ticket. He was hoping Bradley would upset the vice president in New Hampshire. Now he's waiting to see if the former New Jersey senator can somehow pull off victories March 7 in New York and California and seize the momentum from Gore.

6th district. Rep. Bart Gordon (D-Murfreesboro) is the dean of the state's delegation, having first been elected in 1984. Because the district has been growing more Republican, the GOP has been trying hard in recent elections to unseat him, putting up now-state Sen. Marsha Blackburn in '92, Steve Gill in '94 and '96, and Walt Massey in '98. In truth, if the seat were open, a Republican would have a good shot at winning. But Gordon is well known, popular, and not likely to lose — especially if Gore is on the ticket — even against a top-flight, well-funded opponent.

His Republican foe this year is Eleanor Gibbs, a little known Lebanon accountant. The former Wilson County GOP chairman raised \$19,087 last year but spent \$23,943. She lent her campaign \$44,705 in December — on top of a \$1,000 loan in May — and finished the year with \$40,648 in campaign cash. In contrast, Gordon collected \$497,394 while spending \$140,223 and wound up with a whopping war chest of \$851,857.

7th district. Rep. Ed Bryant (R-Henderson) served as a House impeachment manager in President Clinton's Senate trial last year, and Democrats vowed to field a serious candidate. So far they haven't, and it's getting late. But if one emerges, Bryant is prepared. He raised \$454,615 last year and spent \$148,771. He ended the year with \$469,109 on hand.

8th district. Rep. John Tanner (D-Union City) seldom has serious opposition. And the \$544,035 in his campaign bank account will give pause to any Republican with ideas of taking him on this year. Tanner raised \$185,979 last year and spent \$102,516.

9th district. Despite raising his statewide and national profile as a potential challenger to Republican Sen. Bill Frist, Rep. Harold Ford Jr. (D-Memphis) raised less than all other representatives from Tennessee except for Jenkins. But like Jenkins, he's in a safe district.

In the second half of 1999, while traveling the state exploring a Senate race, Ford collected \$124,096 after

beginning the period with barely over \$30,000. He ended the year with \$81,869. That's plenty for his re-election campaign but nothing close to what he'd need to take on Frist, who finished the year with \$4.2 million in his campaign account and has personal wealth he could tap if necessary. Ford isn't about to take on Frist.

Corker tries to facilitate dialogue between state, Blue Cross

Chattanooga developer Bob Corker, Gov. Don Sundquist's first finance commissioner, is serving as an intermediary between Blue Cross/Blue Shield and the administration on a proposal to establish a quasi-governmental organization to run the company's TennCare operation. But Sundquist is resisting the idea. He still hopes to recruit new insurers to the TennCare program.

Blue Cross, which serves nearly half of the 1.3 million TennCare enrollees, has notified the state it is quitting the program July 1. State officials are frantically working to attract a large insurer capable of filling its shoes. To do so, they acknowledge, they will have to offer a different deal than the one now in place for Blue Cross and seven other managed care organizations. The state will assume some risk for financial losses. Depending on what business model is adopted, the cost of TennCare could escalate well beyond the \$132 million state-funding increase included in Sundquist's 2000-01 budget.

Last week, the governor and 14 key legislative leaders sent a letter to Health and Human Services Secretary Donna Shalala expressing their commitment to fund TennCare at an "actuarially sound" level, "which may include raising additional revenue or redirecting current resources." The Health Care Financing Administration, the Medicaid/Medicare agency in Shalala's department, has given the state until March 1 to come up with a plan for stabilizing TennCare after Blue Cross leaves.

BC/BS plan. Blue Cross is offering to give the state its computer equipment and other infrastructure used in BlueCare — its TennCare managed care organization — along with its BlueCare employees. It is suggesting the state create a board along the lines of the one that oversees TVA, which would insulate the operation to some degree from political pressures.

A quasi-governmental takeover of BlueCare could establish a place to put enrollees from a failed MCO. The third-largest TennCare MCO, Xantus, is in state receivership and may have to be liquidated. The second-largest, Access MedPlus, has been struggling financially. Its reserves, below state requirements, have been built up of late, but hospitals and other providers are complaining the MCO is behind in paying them.

Their relations with Sundquist strained over the manner in which the organization announced in December it was quitting, Blue Cross officials asked Corker to engage in some shuttle diplomacy. It is not clear whether he has gotten anywhere.

Issues. Even if the state were to take over BlueCare, it could not automatically add Xantus patients to the

- Vanderbilt University hired E. Gordon Gee away from Brown University to become the Nashville institution's seventh chancellor. Gee, 56, will succeed retiring Joe B. Wyatt Aug. 1.
- The Teamsters are trying to organize workers at the Dell Computer Corp. assembly plant in Lebanon. Dell, based in Round Rock, Texas, plans to employ 3,000 workers in Middle Tennessee by mid-2001 and up to 6,000 over the next few years as a new Nashville plant gears up.
- The 6th U.S. Circuit Court of Appeals ruled that longtime anti-pornography crusader Larry

Parrish is not immune to a lawsuit over his role in an attempt to close several nude dance clubs in Memphis. A federal district judge dismissed a suit by a nightclub owner against a local judge, three state prosecutors, two state investigators, and Parrish, a private attorney who aided in the investigation. But the appellate court held that while the government officials and investigators are immune, Parrish is not.

- The jury in a federal court civil trial involving Knoxville Mayor Victor Ashe entered its third day of deliberations Friday. Five city firefighters

claimed the mayor retaliated against them, in violation of their civil rights, by denying raises and promotions and through other means after they supported his re-election opponent in 1995. Ashe denied the claims.

- A fire at Bryan College in Dayton destroyed most of the administration building and caused millions of dollars in damage. Most of the Scopes Trial memorabilia at the institution, named for Scopes special prosecutor William Jennings Bryan, was unharmed. Classes resumed two days after the Feb. 6 fire.

MCO. BlueCare's data/claims processing system can't handle more than 650,000 enrollees. The state would have to invest in a system upgrade.

On the other hand, the BlueCare employees would give the state some much-needed expertise. TennCare has had six directors in six years, and even now some high-level management positions are unfilled. With a board overseeing it, the BlueCare operation over time could take over the TennCare Bureau if the state wished.

Competition. Sundquist and other state officials feel taxpayers have benefited from the competition among MCOs. They badly want to recruit new insurers. The Tennessee Medical Association recommends the state assume all risk and pay a fee for administrative services only. Many legislators are convinced the state must find a way to keep Blue Cross in the program, whether through an ASO arrangement or something else. Blue Cross badly wants out of TennCare.

The Mercer consulting firm told state officials last week it may need \$100 million or \$200 million more than Sundquist has budgeted to make TennCare actuarially sound. An actuarial study, which will provide firmer numbers, is due April 1 from PriceWaterhouseCoopers.

Legislative roundup

House bird-dogs spending bills

With no consensus developing on an alternative to Gov. Don Sundquist's 3.75% income tax plan, legislative leaders are clamping down on spending bills. The House, which ordinarily requires Finance Committee approval only of bills that cost at least \$100,000, has begun routing bills that spend anything there.

A key reason for the change in policy is that lawmakers learned last week the 2000-01 appropriations bill introduced by the administration does not include a "sweeper" provision. Any bill that necessitates new state spending must be funded in the appropriations bill or it is null and void. Traditionally, the legislature has passed appropriations amendments to cover bills with significant costs, but bills with minor costs have been taken care of with all-inclusive "sweeper" language.

The administration decided not to include a sweeper this year because of the budget crunch. That means any bill with even a small fiscal note must be specifically funded in the budget in order to become law — unless the legislature decides to adopt a sweeper amendment.

Sign of times. The issue was dramatized in the House Thursday, when Rep. Page Walley (R-Toone), asked that his bill providing for directional signs on Interstate 40 in Fayette County be sent to the Finance Committee. The measure, co-sponsored by Speaker Jimmy Naifeh (D-Covington), was on the House floor awaiting a vote and had already been passed by the Senate, where Speaker John Wilder (D-Somerville) was the prime sponsor. The bill calls for signs to the National Bird Dog Museum and Field Trial Hall of Fame at a \$16,000 cost.

Senate leaders have not chosen to refer every bill with a fiscal note to the Finance Committee, fearing it could clog up the committee and lead to added confusion and disorder late in the session.

As a practical matter, the traditional sweeper provision is a drop in the bucket in an \$18.2 billion budget. But the Sundquist administration — and legislative leaders — want the public to understand that the state's revenue shortage isn't due to frivolous spending.

Bond rating. Analysts for the three financial services that rate Tennessee's bonds — Moody's, Standard & Poor's, and Fitch — talked by phone last week with state officials about the proposed state budget. State Comptroller John Morgan told the House Finance Committee that Tennessee's triple-A rating is not in immediate jeopardy, but that analysts understand the state has a structural deficit and are waiting to see how it is addressed.

CCA. The state Building Commission postponed approval of a three-year contract renewal with Corrections Corporation of America for operation of the South Central Correctional Facility in Wayne County.

Sen. Steve Cohen (D-Memphis), chairman of the Senate State and Local Government Committee, requested the delay to give his panel time to review the proposal as provided by state law. The pact has been approved by the legislature's Corrections Oversight Committee, which reviewed it in a joint meeting with the Fiscal Review Committee.

Cohen raised concerns on the Senate floor Thursday about a built-in annual increase of 3.25% in payments to CCA. That provision is similar to the current contract. But Cohen contends that when the state is unsure about finding money to raise employee pay or increase funding for other state operations, it should not be quick to guarantee increases for a private concern.

Tennessee Notes & Quotes

■ The state Board of Regents is poised to name as its new chancellor this week **Charles W. Manning**, currently chancellor of the University System of West Virginia. Manning was among four finalists interviewed by a search committee last month. The panel selected ETSU president **Paul Stanton**, but amid a political controversy over a proposed increase in the chancellor's pay Stanton abruptly announced Jan. 28 he wouldn't take the job. **Sidney McPhee**, vice chairman of academic affairs, has been serving as acting regents chancellor since **Charles Smith** left the post to start a consulting firm and explore a 2002 gubernatorial race.

■ The state Supreme Court declined to hear an appeal in the Memphis pari-mutuel gambling case, allowing last year's Court of Appeals ruling to stand. That means Tennessee's 1987 law permitting horse track betting where approved by local referendum is null and void. After a decade without a track being developed, the legislature allowed the State Racing Commission to expire in July '98. Shortly before its termination, the commission granted a license in Memphis to Penn National Gaming for a \$15 million harness racing track and simulcast theater. Shelby County Chancellor Floyd Peete Jr. ruled that abolition of the regulatory commission did not void the racing law, but the appellate court disagreed.

■ "All of us are getting tired of hearing **Brian Lapps** run his mouth. Where were his creative solutions when he was director? He had his opportunity." — **Beth Fortune**, the governor's press secretary, on former TennCare director Lapps' comment in *The Chattanooga Times/Free Press* that Gov. **Don Sundquist's** income tax proposal is interfering with solutions to TennCare's problems.

■ "Closing doesn't mean closing. It means an alternative way of managing these state parks." — Environment and Conservation Commissioner **Milton Hamilton**, telling a legislative panel that parks targeted for closing might still be operated by someone else, such as a city or county.

■ State Rep. **Doug Gunnels** (R-Greenback) won't seek re-election this year. Gunnels, 51, who represents Loudon and Monroe counties, has served 12 years.

■ "Frankly, it's easy to make money when you don't pay your bills. Our accounts receivable rose significantly from MCOs like Access MedPlus." — **Craig Becker**, president of the Tennessee Hospital Association, in the *Chattanooga Times/Free Press*.

■ Sen. **Andy Womack** (D-Murfreesboro) was needled a bit by colleagues on the State and Local Government Committee when he presented his bill to designate the Tennessee Walking Horse as the official state horse. Ultimately, though, the proposal cleared the panel without a dissenting vote. Or as Chairman **Steve Cohen** (D-Memphis) put it: "Nine ayes, no neighs."

■ **Jim Sasser**, former U.S. senator and former ambassador to China, has been named to a special teaching post at George Washington University's Elliott School of

International Affairs. Professor Sasser will teach two courses each semester. This spring, he will co-teach two graduate courses on U.S.-China relations.

■ A federal grand jury in Memphis investigating taxpayer-funded day care operations there heard testimony last week from state Finance Commissioner **John Ferguson**, Comptroller **John Morgan**, and **Dennis Dycus**, director of municipal audit for the comptroller. Also questioned were **Hardy Mays**, former chief of staff to Gov. Don Sundquist, and Department of Human Services day care licensing official **Deborah Neill**. Human Services Commissioner **Natasha Metcalf** had testified earlier.

■ "You normally aren't dealing with issues like that with triple-A states." — **Raymond Murphy**, vice president and senior analyst at *Moody's Investor Service*, commenting in *The Wall Street Journal* on Tennessee's structural deficit and political stalemate.

■ **Bob Hodge**, *The Knoxville News-Sentinel's* outdoors editor, had an entertaining political scoop in a recent column. The Sundquist administration introduced legislation that would have given most of the Tennessee Wildlife Resources Agency's authority to the Department of Environment and Conservation and would have enabled the administration to appoint the TWRA executive director. The legislation was withdrawn after two days, when controversy began bubbling. The columnist named TWRA board member **Tom "The Golden Goose" Hensley**, who has been critical of executive director **Gary Meyers**, as the prime suspect in the case, but Hensley denied having anything to do with the measure.

■ "I've got a lot of folks in my re-election file now that are going to have yard signs, thanks to DHS." — State Rep. **Ben West** (D-Nashville), on getting a chance to help constituents who weren't getting their child support checks after the Department of Human Services took over collection and disbursement.

■ State Sen. **Jeff Miller** (R-Cleveland) and his wife, **Brigitte**, are proud parents of a red-haired baby girl who weighed in Thursday night at six pounds, five ounces. **Carly Elizabeth Miller** is their third daughter.

■ "We have a kind of ritual. We sit around the table about 11:30 every night and make jokes about you." — Vice President **Al Gore**, to **Jay Leno**, during an appearance Thursday on *The Tonight Show*.

■ The "Wacky Bill of the Week" is HB 2288, sponsored by that master of caption bills, Rep. **Gary Odom** (D-Nashville). The bill adds a one-sentence section to state law: "Municipalities and counties shall act in the best interest of all citizens with all state and local revenues to the end that services will be provided in the most cost-efficient manner possible." The interesting thing is, it adds the section in nine different places in the Tennessee Code: Titles 5, 6, 7, 13, 54, 57, 67, 68, and 69. Hmm. Guess Odom wants to make real sure that cities and counties act in the best interests of their citizens.