



### Interlocking issues for Pence, Assembly



Issues of tax cuts, budget, sequestration and Medicaid begging for elusive answers

By **BRIAN A. HOWEY**

INDIANAPOLIS – With an array of historic, billion-dollar questions hanging in the balance, and a gnawing realization that the answers are increasingly elusive, the Indiana General Assembly and Gov. Mike Pence arrived at the halfway calendar point this week.

What became clear after a series of press availabilities Wednesday was that the Pence income tax is at the mercy of the economy and sequestration, as well as the biennial budget, which in turn is interlocked with the prospect of Medicaid expansion, which in turn is bound by an emphatically hostile political attitude toward President Obama and the Affordable Care Act, which, in reality, is the law of the land.

The inescapable murmur in the marble Statehouse hallways is the potential of a Pence presidential run in

**Continued on page 3**

### The Sequester firing line

By **MARK SCHOEFF JR.**

WASHINGTON – When \$85 billion worth of automatic spending cuts begin to take effect on Friday, the Crane Naval Surface Warfare Center in southern Indiana will be in the firing line.

The base will take a \$36-million hit to its budget between now and Sept. 30, when the first round of the so-called sequester concludes, according to Democratic Sen. Joe Donnelly. It's part of the down payment on \$1.2 trillion in cuts over 10 years that Congress



**“No. 1 is stop the drama, please. Stop the constant last-day legislating. No. 2 is we cannot continue to spend what we don’t have.”**

- U.S. Sen. Joe Donnelly



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President Obama with Senate Majority Leader Harry Reid and House Speaker John Boehner Wednesday at Statuary Hall at the unveiling of the Rosa Parks statue.

agreed to in 2011 to raise the debt limit.

Donnelly told reporters in a conference call on Wednesday that taking a whack at Crane, as well as other across-the-board sequester cuts, is a bad way to reduce the federal deficit.

**"I have been hopeful** we can reach a thoughtful, smarter way to cut; that we can include revenues as well," Donnelly said.

The gulf between Republicans and Democrats over the sequester is illustrated by the stance taken by the GOP lawmaker whose district lies next door to Crane.

"Of course I'm concerned about defense cuts," Rep. Todd Young, R-9th CD, said in a recent HPI interview. "But I'm also concerned about my children and grandchildren."

Taking care of the next two generations requires that the country make substantial progress in reducing annual deficits that have topped \$1 trillion for the last several years and a debt that totals about \$16.4 trillion, according to Young.

"The president and Senate Democrats seem disinclined to deal with what is driving our nation's deficit," Young said. "We don't have a revenue problem, we have a spending

problem."

Young and other Republicans say that Obama got the tax increases on the wealthy that he was seeking in the New Year's Day legislation that averted hundreds of billions of dollars of automatic tax hikes and spending cuts known as the fiscal cliff.

That's where Young and Donnelly diverge. Donnelly supports a Senate bill that likely will be voted down that would replace the sequester with a mix of tax increases and spending cuts. On the revenue side is the so-called Buffett Rule, which would ensure that people earning more than \$1 million annually pay at least a 30 percent tax rate.

**Donnelly said** that federal revenues are running at about 16 percent of the economy, while spending is at 23 percent. Spending needs to come down, but revenues also need to increase.

"We're still shy on that [revenue] number," Donnelly said. "I hope people realize that."

That's the interesting question. Where will the American people come down on how to tackle the budget? Over the next several weeks, we'll have a chance to see the debate evolve in real time.

This is not one of those issues



that requires waiting until the next election to sort out. As March 1 dawns, the voters seem split on the efficacy of the sequester.

But it may be difficult for Americans to make up their minds because much of the sequester won't be felt until weeks or months down the road – and even then only in certain areas of the country.

**That means that Republicans** and Democrats likely will enter the next budget battle – over a March 27 deadline for shutting down the government – without much evidence of who is winning.

The situation creates an opening for bold thinking about the budget in general and, specifically, reform of social insurance programs, such as Medicare. If Republicans truly want to find out how their cut-the-deficit stance is working, they should call Obama's bluff -- offer a big package of structural spending reforms, and see how he reacts.

At the moment, Obama continues to ride a popularity wave that has him above 50 percent in job approval. It will be hard for Republicans to win the spending debate just by asserting that Obama has ignored that side of the

equation. They have to put something creative on the table that forces him and Democrats to walk away, if they want to establish bright lines between the parties on spending.

The other outcome is that such a move forces Democrats to come up with a counter offer that goes beyond trimming around the edges of deficit reduction. They might engage with some of their own big ideas or come up with a way to make revenue increases more palatable to Republicans.

Ultimately, the best politics is for the sides to come together to cure the nation's fiscal ills. If they can't do it in March of an off-year, they never will.

**In perhaps a faint sign** of such movement, Donnelly said that he is part of a group of 25 senators that has been meeting to come up with a sequester alternative. They are gathering "just as Americans, not Democrats or Republicans."

"Everybody agrees that there has to be a better way to do this," Donnelly said. ❖

**Schoeff is HPI's Washington correspondent.**

## Interlocking issues, from page 1

2016. It is a prospect the governor and his people eschew, but it is the source of constant speculation and observers are beginning to look at the emerging decision set through that prism. Governors with presidential ambition find their policy decisions scrutinized through a political lens. Gov. Evan Bayh was always perceived differently than, say, Bob Orr or Frank O'Bannon.

In the past two weeks, a parade of conservative, Republican governors – all greatly hostile to Obamacare – have made the controversial call to expand Medicaid during a three-year period when the federal government will pick up 100% of the costs. Ohio's John Kasich, Michigan's Rick Snyder, Florida's Rick Scott and, on Wednesday, New Jersey Gov. Chris Christie, himself a potential presidential rival of Pence, have begrudgingly opted for Medicaid expansion.

As Christie put it, "Let me be clear: I am no fan of the Affordable Care Act. I think it is wrong for New Jersey and for America. I fought against it and believe, in the long

run, it will not achieve what it promises. However, it is now the law of the land. I will make all my judgments as governor based on what is best for New Jerseyans."

"This makes sense for the physical and fiscal health of Michigan," Snyder said in a Feb. 6 statement.

Pence, however, described it in political terms, talking about the "gift of a baby elephant": "Where the government says, 'Here's a baby elephant. We'll agree to pay for the hay for the next five years,'" Pence said, adding, "Washington is broke, with more than \$16 trillion in national debt."

Indiana Senate President Pro Tempore David Long, speaking in the Senate chambers Wednesday about an hour before Pence, acknowledged the exclusion of the

Pence income tax cut from the House-passed budget.

"I don't have an answer for you right now," Long said of whether the Senate would reinsert what has become Pence's top legislative priority. "We remain very, very, very concerned about some costs coming down the road in Obamacare. The continued costs just shake us. Medicaid, if we don't do any expansion, will cost us \$1 billion. That's without any expansion."



**Gov. Pence points to his mid-session scorecard on Wednesday in his office. Read the entire scorecard on page 6. (HPI Photo by Brian A. Howey)**



Long noted that State Sen. Pat Miller's bill to expand the Healthy Indiana Plan passed the Senate, but quickly acknowledged that no one knows what the cost of HIP will be, even while denouncing Medicaid expansion in general. "I've never heard an answer if we just did the HIP plan," Long said. "Can we afford that?"

But key Republicans view opting into the Medicaid expansion with the feds picking up 100% of the costs through 2020 as a slippery slope or Hotel California: once in "you can never leave" as the Eagles might croon.

"What happens in three years?" Long queried when asked why Indiana wouldn't opt in for the three years when the federal government picks up 100% of the cost. "That's the question. I don't know any leader, Republican or Democrat, I've talked to who believes that in 2020 when it goes to a 90%-10% share that it will be a lot worse than that. You continue to see reports of the costs of this program going way above what they were. How are you going to pay for that? I'll tell you what they're going to do, they're going to pass along the costs to the states. That's the federal system: Pass it down to the states. Now is that an unfunded mandate? Not if we go along with it, I guess."

Howey Politics Indiana asked Long about the scenario that House Public Health Chairman Ed Clere raised earlier this month: The factory worker father and the Dollar General clerk mother who stay off welfare, are within the 138% of poverty band, but have little or no health coverage. A catastrophic health event bankrupts them.

"That's a tough question, but I don't think it's unfair," Long answered. "That's why people say we've got to take a look at it. To jump into the pool right now, without a better idea, is something we have to be very cautious of. I'm not saying never, either. That is the other side of the coin: What do you do about people who are working and can't afford insurance? That's the debate nationally. Until you have a better sense of what it is going to cost taxpayers, which I think is going to be a lot, and I think we're looking at a tax increase and it's going to be a significant one if we're not careful here, I don't think you can just expand Medicaid. We don't have enough answers."

While Gov. Pence and state lawmakers need elusive answers, a significant part of the blame has been the slow pace of rules coming from the federal government in the wake of Obamacare, solidified by President Obama's reelection last November.

## **Medicaid expansion bill passes**

SB551 authored by Sens. Patricia Miller and Luke Kenley passed the Senate Wednesday by a 44-6 vote, giving what the authors called "flexibility" in installing Obamacare. The main provision of the bill seeks federal approval to expand HIP to all Hoosiers who earn up to 138 percent of the federal poverty level as a substitute to the ACA's Medicaid expansion. It would also ask the federal government to provide Medicaid funding in the form of a block grant so Indiana could administer the health-care program with greater flexibility.

"The Healthy Indiana Plan provides low-income Hoosiers with access to health care in a way that promotes personal responsibility and financial accountability," Miller said. "It has worked extremely well in our state for several years now, and I would like to see it continue. Indiana should have the option to pursue a health care plan that works for Hoosiers, instead of being forced to implement a one-size-fits-all Washington mandate."

"In terms of federal health care costs and Medicaid expansion, legislators and all Hoosiers must be aware that whatever commitments we make today are going to be commitments we have to fulfill for a long time," Kenley said. "The Affordable Care Act is a huge expense, and we must push to come up with the right option for Indiana. We need a program that encourages people to use consumer attitudes, where they measure the cost and share in the cost. HIP may be our best option to do that.

This is still a work in progress."

Seven Democratic senators voted with the chamber's Republicans Tuesday for the expansion, despite reservations about using HIP.

The problem with HIP is while it serves about 46,000 people, more than that are on a waiting list. The Medicaid expansion poll has been put in the 400,000 range.

While lawmakers talk about future health care costs, there is little acknowledgement that people at or just above the poverty line are turning up in Indiana emergency rooms, at a cost of close to \$3 billion annually, a fact most Republicans don't speak about.

The predominant GOP view comes in the context of taxation levels, as opposed to insuring the lower middle class.

"At least the leadership is all in favor of not using Medicaid expansion as the vehicle here because of the po-



**Senate President David Long explained the dilemmas facing Indiana over Medicaid expansion. (HPI Photo by Brian A. Howey)**



tential for massive cost in the future," House Speaker Brian Bosma told the Associated Press on Tuesday.

But House Minority Leader Scott Pelath said, "We can't afford not to do this. It is wildly expensive to keep sending people to the emergency room and it's reckless not to proceed in a way that is already provided for us by law. There are people against it simply because they don't like the President. They only want to focus on the costs they want to talk about. They don't want to talk about costs of emergency rooms, or the costs of people who don't get the health care that they need and end up getting sicker."

### **Democrats call for 'tripartisanship'**

Pelath applauded Bosma for bipartisanship, but said in reality there is a need for "tripartisanship."

"There are two Republican parties at the moment," Pelath said. "What we have here are two groups: One that is conservative and pragmatic and wanting to work together for the people of Indiana. We have another group that is extremely ideological and unwavering in the policies they want to impose on others. That's problematic because we don't have a clear message coming from the Republican majorities and the governor. We don't have a clear direction for Indiana. I'm not sure that's good for the state because the state deserves clear alternatives they can choose from. We don't have that at the moment."

Pelath then pointed to the Medicaid/HIP debate. "The consequences are that we fail to pass the biggest jobs bill of the 2013 session," he said. "Maybe the biggest jobs bill of a generation, and that's the health care expansion. It was slaughtered on the altar of national politics. That's regrettable. There's a possible 30,000 private sector jobs to come from serving people in clinics, in doctor's offices and not emergency rooms and it withered on the vine of the House calendar the other day. That's regrettable. Thirty thousand Hoosiers could be hired by hospitals and health care providers. I understand that at President Long's press conference, Gov. John Kasich was exposed for being a left wing radical."

Pelath then quoted Kasich: "I can't look at the disabled, I can't look at the poor, I can't look at the mentally ill and I can't look at the addicted and think we ought to ignore them."

"I think Gov. Pence ought to embrace the recommendations from neighboring governors and even people like Rick Scott in Florida," Pelath said. "We need to make

sure every Hoosier is seen by a doctor who's not in an emergency room as the first order of health care."

### **Pence tax cut (& sequestration)**

When Pence met with the press, he once again made his case for the income tax cut, insisting there is great value in Indiana being the lowest tax state to be a magnet for jobs. He said he had been traveling the state making his pitch for the income tax, and said audiences were "very receptive." But he quickly transitioned to the external forces crimping the tax cut, which was omitted from the House passed budget prompting his "disappointment."

"We've talked to members of the General Assembly and sequestration is on their mind," the governor acknowledged. "And not so much the impact on the cuts themselves, but the potential economic impact of that. That's why, as you all know I'm a conservative and not in a bad mood about it. I understand and appreciate people being cautious when it comes to public resources. I remain confident our revenue forecast is correct and our revenues are going to remain strong, but that's an issue that's been raised, among others."

Pence added, "We have been assured by leaders of the General Assembly that assuming the revenue forecast in April is as strong as it was in December, the income tax cut will be up for inclusions in the budget."

Which then led him to HIP. He was asked what happens if the feds reject his HIP proposal.

"Let me speak broadly . . ." Pence began, with one reporter suggesting he be more specific. ". . . this issue of Medicaid. First, it is important to point out to people that Medicaid is set to grow significantly in the next few years under the existing program. Last estimate I heard was some 90,000 Hoosiers. I am very proud to say the budget we submitted fully funds that program. That's not an inconsequential number. We stand by that and will work hard to fully fund that Medicaid program as it exists today. Secondly, the Healthy Indiana Plan is a plan we strongly support. It is perhaps the most innovative, consumer-driven health care plan of any state in the country. We are determined to preserve it. In my conversations with the administration, with Secretary Sebelius, and the White House, and colleague governors this weekend, we made it very clear that our first objective . . . is that we preserve that innovative program, which is extraordinarily popular among its recipients. And it's popular because it's good for them . . . and good for the fiscal health of our state. The Healthy



**Democrat chamber leaders Rep. Scott Pelath (left) and State Sen. Tim Lanane.**



Indiana Plan meets both. It removes people from emergency room care to primary care. It encourages people to embrace preventive medicine. It's the kind of program that improves people's lives."

Yet, no one can provide contrasting data on the costs of HIP and Medicaid expansion.

Pence said that Medicaid "is a system that's broken," adding that it is "rife with fraud and waste and I don't think it serves the interests of Hoosiers . . . and the long-term interests of Hoosier taxpayers. That being said, I've made this very clear to Secretary Sebelius, we would be willing to consider an expansion if it began with a discussion based on the framework of the Healthy Indiana Plan. The reality is, with the extraordinary inflation of costs in our health care economy, most experts left, right and center say the real answer is preventive medicine. The real answer here is to encourage people to take more ownership in their health care."

Kathleen Sebelius is U.S. Secretary of Health and Human Services.

### Epilogue

Winston Churchill famously described the Soviet Union as a "riddle, wrapped in a mystery, inside an enigma."

The interlocking issues of Indiana tax cuts, budgets and health care are splinted to the federal government, which in turn politically antagonizes a large section of the Indiana General Assembly, to the point that Sen. Long has launched a constitutional convention bill that would tamp down federal intrusion on the states.

What became utterly clear on Wednesday is that many answers are elusive and they represent critical data needed to make good decisions.

So the entire process seems steered more by political realities as opposed to independent metrics.

The cynics suggest that Gov. Pence is making a political decision to position himself for 2016. Not only did Gov. Christie opt for Medicaid expansion, but he was excluded from the Conservative Political Action Conference (CPAC) convention this year. The political animals contend that Pence is making policy decisions with presidential bearings in mind. However, the rejection of his No. 1 priority would damage those prospects. It prompted Pelath to speculate, "I think Sen. Kenley will try to salvage the governor's dignity and his tax cut. They've got to bail the governor out somehow."

The Indiana General Assembly and Gov. Mike Pence may be at the calendar halfway point in the 2013 budget session, but in reality, the need for so much more information – and open, inquisitive minds to go with it – became abjectly evident on Wednesday. ❖



### INCREASING GRADUATION RATES

As measured by Indiana's non-waiver graduation rate from the Indiana Department of Education

- ✓ Ensure every high school student is college or career ready **SB 465 PASSED, HB 1005 PASSED**
- ✓ Make career, technical and vocational education a priority in every high school in Indiana **SB 465 PASSED**
- Support dual-credit programs that allow high school students to work toward a college degree
- ✓ Double the number of students in our successful dropout prevention programs **HB 1005 PASSED**
- Address the math remediation crisis for our high school graduates
- Recruit and train high-quality school leaders

### IMPROVING THE QUALITY OF THE HOOSIER WORKFORCE

As measured by the American Community Survey and STATS Indiana

- ✓ Improve coordination among secondary education, higher education and state-funded workforce development **SB 465 PASSED**
- ✓ Make college more affordable by focusing the state's college funding on programs that decrease the cost of degree completion **SB 532 PASSED**
- ✓ Reward Hoosier college students who graduate early or on time **HB 1348 PASSED**
- ✓ Reward colleges and universities that increase on-time degree completion and provide clear pathways for students to finish their degrees on time **HB 1348 PASSED**
- Support continual and systematic review of job regulations
- Enhance coordination between the private sector and educators on the development of agricultural curriculum

### IMPROVING THE HEALTH, SAFETY AND WELL-BEING OF HOOSIER FAMILIES, ESPECIALLY CHILDREN

As measured by the Kids Count Data Center from the Annie Casey Foundation

- ✓ Ensure Indiana has the best-equipped and best-trained law enforcement officials **GOVERNOR'S JOBS BUDGET**
- ✓ Resist efforts to implement the federal health-care law in Indiana and promote Hoosier solutions like the Healthy Indiana Plan **FEDERAL DISCUSSIONS UNDERTAKEN**
- ✓ Ensure high-quality educational options for families that support foster care children or adopt **HB 1003 PASSED**
- ✓ Promote marriage by requiring a family impact statement for state regulations **EXEC. ORDER 13-05**
- ✓ Continue progress on child protection by enhancing accountability, coordination and training **GOVERNOR'S JOBS BUDGET**
- ✓ Increase veterans' access to federal benefits by enhancing training for veteran serviceofficers **GOVERNOR'S JOBS BUDGET**
- Promote a high quality of life by maintaining Indiana's clean air standards and directing agencies to develop a water quality and resource plan
- Increase opportunities for Hoosiers to enjoy our abundant natural resources

### INCREASING PRIVATE SECTOR EMPLOYMENT

As measured by the Bureau of Labor Statistics and the Indiana Department of Workforce Development

- ✓ Cut personal income taxes by 10% across the board **GOVERNOR'S JOBS BUDGET**
- ✓ Pass honestly balanced budgets, maintain adequate state reserves and our state's top credit rating **GOVERNOR'S JOBS BUDGET**
- ✓ Reduce wasteful spending by adopting performance-based budgeting **EXEC. ORDER 13-02**
- ✓ Freeze new regulations for business to reduce red tape **EXEC. ORDER 13-03**
- ✓ Review existing regulations, business fees, and regulatory performance metrics **SB 520 PASSED**
- Push back against job-killing federal regulations by establishing an Office of State-Based Initiative
- ✓ Establish a 3% state contracting goal for veteran-owned businesses **EXEC. ORDER 13-04**
- ✓ Enhance transparency of state and local taxes, spending and contracts **EXEC. ORDER 13-02**
- ✓ Benchmark and improve the competitiveness of our state's tax structure, especially for agriculture **SEA 319**

### ATTRACTING NEW INVESTMENT IN INDIANA, WITH EMPHASIS ON MANUFACTURING, AGRICULTURE, LIFE SCIENCES AND LOGISTICS

As measured by investment (known as "total deals") reported by the Indiana Business Research Center at Indiana University

- ✓ Enhance collaboration between universities and businesses by creating the Indiana Applied Research Enterprise **GOVERNOR'S JOBS BUDGET**
- Create a statewide Jobs Cabinet and an Executive Innovation Network
- ✓ Establish regional Indiana Works Councils to boost high school technical diplomas **SB 465 PASSED**
- Open new markets for Hoosier manufacturers and farmers
- ✓ Maintain reliable and low-cost energy by updating and enhancing the state's energy plan **SB 529 PASSED, EXEC. ORDER 13-06**
- Make Indiana the hub of food and agricultural innovation
- Appoint a blue ribbon panel to plan the next generation of Hoosier infrastructure
- Hold a first-ever Site Selector conference

### IMPROVING THE MATH & READING SKILLS OF ELEMENTARY STUDENTS

As measured by I-READ3 and ISTEP+ results from the Indiana Department of Education

- ✓ Support third grade reading standard and increase math skill development **GOVERNOR'S JOBS BUDGET**
- ✓ Support quality, community pre-K initiatives and examine opportunities to increase access to pre-K for underprivileged children **HB 1003 PASSED**
- ✓ Support high-quality school options by expanding choice, access to quality schools, and charter school innovation **HB 1003 PASSED**
- ✓ Give teachers more freedom to teach by focusing on results, driving more dollars into the classroom and by paying our best teachers more **GOVERNOR'S JOBS BUDGET**
- ✓ Fund excellence and results in education at all levels by providing rewards for great schools and great teachers **GOVERNOR'S JOBS BUDGET, HB 1334 PASSED**



## Club For Growth targets Rep. Bucshon in 8th CD (where Mourdock lives)

By **BRIAN A. HOWEY**

INDIANAPOLIS – Just days after Indiana Treasurer Richard Mourdock suggested he was ready for his 12th campaign in the past two decades, his key enabler, Club For Growth, has put a bullseye on the back of U.S. Rep. Larry Bucshon.

Mourdock, who blew the U.S. Senate race against Sen. Joe Donnelly with his “God intends rape” remark last October, owns a home in Darmstadt, which is located in Bucshon’s 8th CD.

Politico reported Wednesday that Club For Growth will post a website targeting nine Republicans for defeat in 2014. In addition to Bucshon, it has identified eight other districts where Mitt Romney notched more than 60 percent in the 2012 presidential race, but got a lifetime rating of below 70 percent from the club. For now, the Republicans on the website are Reps. Mike Simpson (Idaho), Adam Kinzinger (Ill.), Rick Crawford (Ark.), Frank Lucas (Okla.), Steve Palazzo (Miss.), Martha Roby (Ala.), Renee Ellmers (N.C.) and Aaron Schock (Ill.).

“We’ve been planning this for awhile but we’ve really wanted to release it in (context with) our scorecard because it really kind of drives who qualifies for the list,” Club President Chris Chocoma said in an interview. “We came up with this idea and started developing the website and everything long before Rove started developing his Victory Project.”

**The CFG website** [www.PrimaryMyCongressman.com](http://www.PrimaryMyCongressman.com) outlined the Club’s beef with Bucshon.

“Why Bucshon,” the website asked. “Larry Bucshon’s Jobs and Economic Recovery Plan, released during his first campaign for Congress, promised that he would ‘work to eliminate redundant programs and bureaucracies that are unnecessary for the government to provide

services to its citizens.’ But he voted to keep the National Labor Relations Board and for wasteful ethanol subsidies. He even voted to continue to fund ObamaCare.”

**On the “check the record”** section, Club For Growth said Bucshon voted to: increase the debt ceiling by \$2.1 trillion. (RCV #690, 2011); for a budget extension that funded ObamaCare (RCV #579, 2012); to bailout the Highway Trust Fund (RCV #451, 2012); to massively expand corporate welfare by reauthorizing the Ex-Im Bank (RCV #224, 2012); with labor unions to protect spending for the National Labor Relations Board (RCV #75, 2011); against blocking funding for an ethanol blender pump (RCV #125, 2011); against the budget proposed by House conservatives (RCV #275, 2011); against numerous spending cuts that would have reduced the size of government (Link).

Bucshon spokesman Nick McGee told HPI, “Club for Growth is a Washington, D.C. based organization that certainly has a right to their opinion. Dr. Bucshon has a strong

conservative voting record and was successfully reelected by a 10 percent margin in his last election.

He has confidence his constituents in Indiana will continue to assess his record of consistently fighting to cut spending, keep taxes low, bring good pay jobs to Hoosiers, and reform healthcare and not rely on a D.C. based organization to assess it for them.”

Bucshon has won two primary races against Krisit Risk, a Greene County housewife. In 2010, he won a nailbiter over Risk, 16,262 to 14,273 in a crowded field. In the 2012 primary rematch, Bucshon defeated Risk 34,511 to 24,960.

Last November Bucshon won a second term defeating former Democratic State Rep. Dave Crooks, 151,533 to 122,325.

Club For Growth targeted U.S. Sen. Dick Lugar despite a Republican voting record in the 90th percentile and the fact that he had been Indiana’s leading vote getter in history, earning more than 7.5 million votes in races since 1974. Mourdock’s loss to Donnelly continued a trend of Tea Party candidates who have lost what were considered to be likely Republican pickups in Delaware, Nevada and Colorado.

Mourdock said at the Vanderburgh County Republican Lincoln Day dinner that he was weighing a potential



**WHY BUCSHON?**



comeback. "I'm going to find a way to have my voice heard," Mourdock told the Evansville Courier & Press at the Vanderburgh County dinner. It was Mourdock's third GOP Lincoln Day dinner of the week, and three more are planned. He was the keynote speaker at the Clinton County LD on Feb. 21.

**Murdock is considered** persona non grata by many Republicans – the Lugarites for challenging and unseating Sen. Lugar, and many others for blowing the 2012 Senate race – and there exists something HPI identified in the fumes of the treasurer's loss last November as the "Murdock wing of the Indiana Republican Party."

While some Tea Party activists like Greg Fettig blasted Mourdock for the way he ran his campaign and the debate blunder, in other Tea Party tribes Mourdock is still a hero who was defeated thanks to "liberals" and journalists. It was in these quarters that Tea Party activists encouraged Mourdock to take on Lugar, and with many of them he remains an inspiring, if flawed, figure.

In the 2012 Senate race, outside groups spent \$32,844,052, according to the website Open Secrets, while the Mourdock campaign raised \$8,596,756. Club For

Growth spent \$3.867 million on Mourdock even though he bombed during the first interview he had with the Super PAC in 2011 as he was preparing to successfully challenge Lugar in the Republican primary.

According to end of the year filings with the Indiana Secretary of State's Office, Mourdock also continues to carry over \$11,000 in campaign debts from his 2010 Indiana Treasurer's campaign.

If the 2012 Senate primary is a guide for the 2014 8th CD, expect the Club to direct its spending towards Cable TV broadcasters/FOX News and DC based TV, Direct Mail, and email production firms. According to FEC filings, almost the entirety of the Club's \$3.9 million in independent expenditures during the 2012 Indiana Senate race were to Washington, D.C. metro area firms. The Club did not directly employ any Indiana based companies.

**The trend of Super PACs** employing Inside-The-Beltway media advisors appears to be continuing which prompted a sales rep from a local Indianapolis TV station to say this week, "Overall, we (in Indiana) were disappointed with the 2012 cycle." ❖

## Sad news for stoners

By **MAUREEN HAYDEN**  
CNHI Statehouse Bureau

INDIANAPOLIS – In the flurry of activity at the Statehouse in recent weeks, I missed reporting some sad news for stoners: The legislation to decriminalize marijuana is dead.

State Sen. Karen Tallian's bill to make possession of two ounces of marijuana into an infraction, like a speeding ticket, died when it didn't a hearing in the Committee on Corrections and Criminal Law before a critical deadline passed.



Tallian's response was anything but mellow. The Democratic grandmother from Ogden Dunes told The Times of Northwest Indiana reporter Dan Carden: "I don't understand why they refused to even hear it.

We have certainly heard some really idiotic bills in that committee."

**Setting aside the question** of idiocy in the General Assembly, here's news that may hearten those who've been following the pot debate: Legislation that would roll back Indiana's marijuana laws – some of the toughest in the nation – is still very much alive.

Tucked inside a 400-plus page bill to overhaul

Indiana's criminal code is language that would turn most felony-level marijuana crimes into mere misdemeanors. It puts an end to the reefer madness of a past General Assembly that made possession of marijuana a felony if you'd been caught once before or had more than one ounce.

**So it would still be a crime** to get caught with cannabis, but no longer a crime that could land you in prison or make you automatically lose your driver's license.

The four co-authors of the criminal code reform bill make for an interesting alliance. The two conservative Republican authors are Hendricks County lawyer Greg Steuerwald and former deputy prosecutor Jud McMillin of Brookville. The two liberal Democratic authors are Bloomington lawyer Matt Pierce and retired Hammond police officer Linda Lawson.

They all had a role to play in crafting a bill that's been several years in the making and has won strong bipartisan support. The full House is expected to vote on the bill Monday, then send it to the Senate where the legislation has strong allies.

**At a media availability last** week to talk about the bill, none of the co-authors said the word "marijuana," though I think they should have if they wanted to get good media coverage.

As Time magazine reported last week, "pot is having a political moment" as the push to lessen penalties for marijuana has moved from the margins to mainstream.

Tallian's bill was a pipe dream – no way is this current General Assembly ready to join the 14 states that have





decriminalized possession (or the handful of other states that have started down that path.)

But it wasn't without some hope: Late last year, the Senate Judiciary Committee Chairman Brent Steele -- a rock-ribbed, law-and-order guy if there ever was one -- came out in support of Tallian's proposal. He likened Indiana's marijuana laws to "smashing an ant with a sledgehammer."

Steele backed off after he decided the idea wasn't political palatable to his conservative colleagues -- at least

not yet.

Remember that committee chairman who wouldn't give Tallian's bill a hearing? He's promised Tallian that he'll research the issue before next year's session. Maybe that's a sign that decriminalization isn't dead, just dormant. ❖

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Gov. Mike Pence talks with U.S. House Speaker John Boehner in his Capitol office earlier this week. President Obama proposed and then-Rep. Pence voted for sequester.

## Pence says Indiana will survive sequester

INDIANAPOLIS -- Gov. Mike Pence said Indiana should weather the storm caused by sequestration due to the state's strong fiscal health (Mikus, Post-Tribune). Pence added he was "reasonably satisfied" with progress in the 2013 state legislative session. The governor, just back from

the National Governors Association conference in Washington, D.C., said he spoke with Indiana legislators and President Barack Obama about the effects of the sequester, which will start \$1.2 trillion in automatic spending cuts over the next 10 years, with about \$85 billion slated for this year. The cuts are designed to be spread across all aspects of federal

government. Pence said the cuts are necessary to help reduce the federal government's over-spending, but he said a more intelligent approach to cutting could be found. "We

are urging the administration and members of both political parties to find smarter and better spending cuts and reductions," Pence said. "The good news for Hoosiers is we are in a position to mitigate the effects of sequestration in Indiana."

The Pence administration did have a brief hiccup on a sequester-related issue when the Department of Workforce Development announced it would suspend jobless benefits on Wednesday, and then retracted the statement.

**PENCE SIGNS FIRST BILL:** Gov. Pence signed SEA 319, the first piece of legislation he has signed into law on Wednesday. The bill prevents an estimated \$57 million property tax increase on Hoosier farmers by delaying the use of new soil productivity factors in farmland assessment until the Department of Local Government Finance (DLGF) and the Purdue University College of Agriculture complete a study on the process. The legislation, sponsored by State Senator Jean Leising (R-Oldenburg), passed unanimously in both the Indiana House and Senate. In recent years, the DLGF requested and received new soil productivity factors





from the United States Department of Agriculture. The proposed new soil productivity factors used for farmland assessment in Indiana could have caused an estimated 25 percent average increase in property tax payments for Indiana's farmers, dependent on the county in which they live.

"Indiana is agriculture, and Lt. Governor Ellspermann and I appreciate the General Assembly's bipartisan effort to quickly pass this critical piece of legislation to help Hoosier farmers," said Governor Mike Pence. "It was a privilege for us to provide tax relief for family farmers in the very first bill we signed into law."

**PENCE REJECTS VETO THREAT:** Gov. Mike Pence hasn't ruled out spending his campaign funds on television ads to garner support for a proposed income tax cut the Indiana House refused to include in a two-year state budget plan it approved Tuesday (Carden, NWI Times). "I'm very committed to making sure that Hoosiers know because of the fiscal strength of our state we have the opportunity to fund our priorities, including increasing funding on roads and schools, and cut taxes for every Hoosier in the city and on the farm," Pence said. The Republican governor told reporters Wednesday he's "still disappointed" the Republican-controlled House budget spends more than he wants and doesn't reduce the state income tax rate to 3.06 percent from 3.4 percent. That 10 percent rate reduction was the centerpiece of Pence's campaign for governor. "We remain committed to making our case for lowering the personal income tax in Indiana to members of the General Assembly and to people across the state of Indiana," Pence said. Pence did not respond directly when asked if he would veto a budget that does not include an income tax cut. He said instead that he's confident lawmakers will add the tax cut to the 2014-15 budget once the revised state revenue forecast, issued in April, shows Indiana can afford it.

**PENCE MAKES ROAD PUSH FOR TAX CUT:** Indiana Gov. Mike Pence is taking his pitch for a 10-percent cut in the personal income tax around the state after failing to lock down support for his signature legislative priority inside the Statehouse (Associated Press). Pence has spent more time on the road in his first two months in office than at the Statehouse, delivering a plea to voters and Republican activists at their annual fundraisers: Lobby your representatives and senators for your cut. Meanwhile, his aides, led by former campaign field organizer Chris Crabtree, have started an online campaign to pressure wavering lawmakers. Working with them are Indiana tea partyers, led by the Indiana branch of Americans for Prosperity, which has bought radio ads and is coordinating its own online campaign. "We are determined to continue to reach out to members of the state Legislature and to the people they serve in the four corners of this state with a message that

Indiana is in a unique position where we have the ability to fund our priorities and reduce taxes for every Hoosier," Pence said shortly before taking the stage at the Hamilton County Republican Party's annual Lincoln Day dinner earlier this month.

**LONG PUSHES CONSTITUTIONAL CONVENTION:** Indiana's state Senate leader says he hopes to stir up support around the country for a new U.S. constitutional convention aimed at limiting the powers of the federal government. The state Senate voted largely along party lines this week to approve a resolution seeking a state-called constitutional convention. Thirty-three more states would have to call for such a convention, which has never happened before. Republican Senate President Pro Tem David Long says if the resolution is also approved by the Indiana House, he will work with legislative leaders in other states concerned about the federal government's growing reach. "I'm very hopeful we've started something like a brush fire out there," Long told reporters on Wednesday. "I know there is interest in this in other states. We've provided a blueprint. We should be able to get 34 states to do this." The resolution calls for a convention focused on limiting the power of Congress to tax and regulate interstate commerce. Those issues were argued in challenges to the federal health care overhaul.

**SENATE TO HONOR FALLEN POLICE OFFICERS:** It was 13 years ago today that Oakland City (Ind.) Police Officer Michael "Mike" Deno, 24, was fatally shot during a traffic stop (Evansville Courier & Press). On Monday, the Indiana state Senate is expected to memorialize Deno with the adoption of a concurrent resolution recommending the Indiana Department of Transportation name the south-bound bridge of Interstate 69 across the Patoka River the Officer Michael E. Deno Memorial Bridge. The action will cap a two-year effort by retired Indiana State Police Sgt. Jim Nelson to have sections of area interstates named for Southern Indiana officers who have died in the line of duty. One day while driving on Interstate 74, Nelson saw "Trooper William Rayner Memorial Highway" posted on a sign along the road, he said. "That kind of got the wheels rolling about trying to get something for (fallen police officers) down here," he said. "There's three police officers (who died in the line of duty) right here in this area, and there's not been anything put up for them." His original plan was to name portions of Interstate 69 for the fallen, but Nelson never heard back from his senator during the 2012 session of the Indiana General Assembly. Nelson then sent his original letter to 85 people including several current and retired police officers, civilian employees of the Indiana State Police and friends, he said. "I was amazed of their response and overwhelming support for the idea," Nelson said. ❖



## On marijuana issue, public evolving faster than pols

By **BRIAN A. HOWEY**

INDIANAPOLIS – Hoosiers appear to be ready to change their marijuana laws. Indiana political leaders aren't.

Recent headlines bear this out. State Sen. Mike Young spiked a marijuana decriminalization bill in the Senate Public Policy committee earlier this month. "The marijuana bill is pretty important public policy and I personally don't feel comfortable because I don't have the facts or the research on any of the issues on this, pro or con," the Indianapolis Republican told the NWI Times. "I think giving it a one-hour hearing when it's going to affect people's lives or maybe put people's lives in danger – I didn't feel comfortable with doing that."



SB580 was authored by Sen. Karen Talian, D-Ogden Dunes, who has been involved with the issue for the past couple of years, sponsoring a successful bill that called for a summer study committee.

During the gubernatorial debate in Fort Wayne last October, then-candidate Mike Pence said he would not sign into law any changes in current law, and Democrat John Gregg agreed, though he indicated a more open mind on medical marijuana.

The other front comes with the criminal code reform bill, which includes provisions that ratchet down an array of illegal drug penalties, marijuana possession included.

**And while some political** figures and office holders were quick to declare that Indiana is a "conservative state" and would be disinclined to change, a building data set that began with the October Howey/DePauw Indiana Battleground Poll and included polling in late January for one of the major political parties, suggests otherwise. By a 54 to 37% margin in the October Howey/DePauw poll, people were ready to make possession of small amounts an infraction as opposed to its current misdemeanor status.

A Nov. 12-24 poll by Princeton Survey Research Associates for Ball State University's Bowen Center for Public Affairs revealed support for decriminalization by a 53-41% margin. Among 16- to 24-year-olds, it was 69% supporting; 57% among people making more than \$100,000; and 59% among college graduates.

HPI was shown a poll conducted for a Republican

organization in January that revealed support for decriminalization at 62%, with 32% opposed.

After a dearth of information on the topic for years, three surveys over a four-month period reveal dynamic traction on the issue.

**It's interesting to** drill down into the Howey/DePauw cross tabs. Among Republican men, 43% favored decriminalization and 49.5% opposed. But in the 18- to 44-year-old GOP age set 44% favored decriminalization and 43% opposed. Among GOP women it was 39/49%, but among independent men the breakdown was 68/21% and among independent women it stood at 47/37%. Among Democrat males it stood at 72/23%, among women it was 65/25%.

The urban/rural contrast is also interesting, with a 65/25% split in Indianapolis, 52/37% in the doughnut, 63/26% in the 1st CD (Lake County and the Region), while in the 8th CD it was 46/39%. In the 3rd CD, part of the World War II era hemp agriculture zone, 47% favored and 45% opposed. Finally, among Pence supporters the contrast was 40/49%, and among Gregg backers it stood at 68/23%.

Both Pence and Gregg were reticent about joining the pro-decriminalization ranks. At the second debate last October in Fort Wayne, Pence said, "I would not support the decriminalization of marijuana. I've seen too many people become involved with marijuana and get sidetracked. We need to get more serious about confronting the scourge of drugs." He called marijuana a "gateway drug."

Gregg said, "I would oppose the decriminalization of marijuana. As for as medical use, that is something I would at least want to talk about."

Libertarian Rupert Boneham appeared to be more aligned with the public, noting that marijuana is "a plant." Boneham said, "If it would help some of our suffering patients, we should let them have that plant."

It is not uncommon for Hoosier politicians to tread cautiously while the masses head in a different direction. Throughout the 1970s and '80s, there was wide resistance to the legalization of gambling. The thunderclap occurred in 1986 when House Speaker J. Roberts Dailey was upset by Democrat Marc Carmichael, who rode a wave of discontent after the speaker had consistently done what Sen. Young just did, which was to block hearings and votes. Two years later, Hoosier voters approved a constitutional amendment paving the way for the 1989 compromise in Gov. Evan Bayh's first legislative special session.

**The same appears to be occurring** with gay marriage. The Howey/DePauw October poll revealed that 45% would back a gay marriage amendment while 43% opposed. In the Bowen Center poll, it was tied at 45% to legalize same sex marriage while on the constitutional amendment to ban gay marriage, 38% supported and 54%



opposed. Since then, there has been significant erosion on the topic, with one conservative Indiana state senator acknowledging to HPI, "We are probably on the wrong side of history."

There have been a couple of public pronouncements that could be a prelude to a tipping point.

Several years ago when the topic of a troubled NFL draft choice was broached, former Indianapolis Colts General Manager Bill Polian said the player's past marijuana usage would not be the sole reason for preventing the team acquiring him. Polian noted that social perceptions were changing.

**Then last year, former Indiana** State Police Supt. Paul Whitesell told a legislative study committee, "It's here, it's going to stay, there's an awful lot of victimization that goes with it. If it were up to me, I do believe I would legalize it and tax it, particularly in sight of the fact that several other states have now come to that part of their legal system as well."

For much of the Daniels administration, Whitesell presided over what has become an annual State Police publicity stunt, where cameras were brought in to cover helicopter patrols identifying rogue crops, which police would then destroy. But this gimmick has absolutely no impact on market supply and demand. If anything, it was a defense mechanism to maintain state and federal funding.

The media coverage in the wake of Whitesell's remark was predictable. A number of Indiana newspapers and broadcasters interviewed the local police chief, the county sheriffs, who were unanimously opposed, citing Indiana as a "conservative state." These were followed by interviews with local legislators who, maintaining the long-time fear of being "soft on crime," toed the line and backed the status quo.

**So in one sense, Sen. Young** is correct: More information is needed to get the Hoosier lawmakers up to speed. Some, like State Sen. Brent Steele, know the interior of a county criminal justice system and object to grappling with antiquated "get tough on crime" laws that retard the overall notion of justice.

To get a true picture, enterprising reporters need to follow the money, as Bob Woodward might suggest.

What is the status of federal funding on marijuana eradication and interdiction programs? Is this simply the latest incarnation of the "military/industrial complex" that perpetuates it?

To get a true picture of costs, reporters should talk to county councilmen, who formulate budgets for the bulk of the criminal justice system. They should talk to public defenders, community corrections officials, circuit and superior court judges, prosecutors and defense attorneys.

**I'm reminded of a surprising** conversation with the late Allen County Commissioner Jack McComb 20 years ago. After a meeting during the crack cocaine epidemic that had gripped Fort Wayne, McComb – a conservative Republican if there ever was one – pondered and questioned the array of sentencing laws swamping the court system and spiking criminal justice costs. I was astounded that McComb dared to go there, but that's what wise public officials do: Occasionally challenge the status quo.



**Then-Indiana State Police Supt. Paul Whitesell with Gov. Daniels. Whitesell urged the Indiana General Assembly to rethink marijuana laws.**

The other aspect of the marijuana debate is that it must be led by a conservative Republican.

Sen. Talian bristles that Sen. Steele has received some of the credit for initiating the issue, but this is a "Nixon goes to China" paradigm. A left of center senator will draw arrows. A conservative following the blazed national trail on this subject by William F. Buckley, Pat Robertson, Newt Gingrich and Sarah Palin will be the one who breaks through the inert crust and delivers a new reality after a four-decade-long "war on drugs" that has filled American prisons and graves while contributing to the epic budget deficits of the day.

It happened this way on civil rights with President Lyndon Johnson.

Indiana is probably years away from reforming its current prohibition laws, but the process has begun. ❖



## Democrats adapt to the world of Super PACs

By **CHRIS SAUTTER**

WASHINGTON – In his 2010 State of the Union address, President Obama caused a major stir when he sharply condemned the U.S. Supreme Court’s 5-4 decision in the Citizens United case. Citizens United held that corporations, unions, and issue advocacy groups have a constitutional right to spend unlimited amounts of money to influence elections. Obama said the decision would “open the floodgates for special interests, including foreign corporations, to spend without limit in our elections.” Democrats uniformly feared it would give Republicans the financial advantage to sweep the 2012 elections.



But now Democrats are learning to love Super PACs after an election cycle in which they re-elected the President, held onto control of the Senate, and gained seats in the House. During the

2012 campaign, Obama allies established Priorities, USA, an Obama-sanctioned Super PAC that spent almost \$80 million to re-elect the President. Organizing for America, Obama’s grassroots lobbying group run by former aides, has started raising millions from wealthy donors to underwrite a campaign to push the President’s agenda. And, New York Mayor Michael Bloomberg’s Super PAC Independence USA spent over \$2 million on ads to help the candidate favored by Team Obama win the Illinois special election to replace Jesse Jackson, Jr.

**Progressive** and labor Super PACs have also exploited the Citizens United decision. CREDO Action, an affiliate of the San Francisco based Credo mobile phone company, targeted ten Tea Party House Republicans for defeat, naming their campaign “Take Down the Tea Party Ten.” Five of the ten candidates went down to defeat, including Tea Party favorites Allen West and Joe Walsh. CREDO focused its efforts

on canvassing and direct voter contact rather than advertising. A multi-million dollar pro-labor Super PAC called Workers’ Voice followed a similar model of organizing over media.

The Republican Super PACs that were supposed to deliver the presidency and control of the U.S. Senate failed so miserably in 2012 in spite of having spent almost a billion dollars combined that many in the GOP question whether Super PACs are worth supporting at all. Karl Rove, the architect of the Republican Super PAC strategy, in particular has faced withering criticism. Not only did Mitt Romney lose, but 10 of 12 of Rove’s U.S. Senate targets and four of nine House candidates Rove’s groups supported lost their races.

**The role of Super PACs** during the Republican 2012 presidential primary process and in the Illinois special election suggest that they will have their greatest impact in primaries and general elections when candidates have limited resources, in part due to the limitations in campaign contributions. That wasn’t the case in the presidential general election when there was relative financial parity and in many of the U.S. Senate races that were targeted by both sides.

This isn’t the first time Democrats have adapted to campaign finance rules that seemingly favor Republicans. During the early 1970’s Democrats led the charge for the Watergate era campaign reforms that required candidates to disclose sources of campaign contributions and expenditures. After the Supreme Court ruled in 1976 in Buckley v. Valeo that contribution limits central to the reforms were



New York Mayor Michael Bloomberg has launched an anti-gun Super PAC that impacted the recent Illinois special election.



constitutional, Republicans began out raising Democrats by a ratio of 13 to one.

Former Congressman and Chairman of the Democratic Congressional Campaign Committee Tony Coelho then changed the way Democratic House members raised money. "Special interest is not a nasty word," Coelho used to say. Coelho aggressively pursued business PAC dollars for DCCC candidates, telling Republican corporate executives they needed to support Democrats if they wanted Congress to consider their views.

Coelho's approach allowed Democrats to hold on to seats in hostile House districts through 1994 when Republicans finally swept to power. But as Coelho marketed the Democratic Party as more pro-business, it became more dependent upon "Republican" money and less capable of bringing about progressive change. In short, Democrats became more dependent upon and politically connected to Corporate America than the American middle class.

**Democrats were slow** to embrace Super PACs because most oppose the Citizens United ruling as a matter of principle. Most Democratic strategists say it is the only way to survive in the era of Citizens United.

Bloomberg's Super PAC focuses on gun control and in the Illinois special U.S. House election backed Robin Kelly who favors an assault weapons ban. But Anthony Beale, one of the losers in the Illinois special election who authored Chicago's tough gun laws, warned that billionaires buying elections is bad for the party and democracy. "If this is the future of the Democratic Party, then we are all in trouble," he said on election night.

Former Senator Russ Feingold, co-author of the 2002 McCain-Feingold Act that was partially overturned by the Supreme Court in Citizens United case, maintains Democrats would have won in 2012 without Super PACs. Feingold argues that Beltway Democrats can't reform big money politics because they are addicted to big money. Feingold challenges liberal donors to stop giving to Super PACs because they are simply enabling the Beltway addicts. Feingold calls on liberal activists to redirect their energy into passing a constitutional amendment reversing Citizens United and to push for "achievable goals" such as public financing of elections, disclosure of donors to non-profits and shell corporations, and overhauling the dysfunctional Federal Election Commission.

**Recently, the Supreme Court** agreed to hear a challenge to the aggregate limit on how much an individual may donate to political parties, candidates and PACs in an election cycle. Many observers expect the Court to deliver another Citizens United. If so, such a ruling will constitute yet another step toward undoing the campaign reforms that were passed in the era of Watergate.

Few Americans believe that the flood of private money that now goes into funding political campaigns is good for democracy or for the economic health of the country. Indeed, there is considerable evidence that the decline of the middle class over the past three decades is tied directly to the explosion of special interest funding of campaigns. Whether the Democratic Party retains its commitment to progressive reform or has hopelessly acquiesced to the power of money remains to be seen. ❖

## Bopp takes aim at CD funding

TERRE HAUTE - The U.S. Supreme Court has granted full review of *McCutcheon v. FEC* earlier this month. The case, brought by Shaun McCutcheon and the Republican National Committee, challenges the biannual individual aggregate limits on contributions to candidates and national political party committees (such as RNC), Terre Haute attorney Jim Bopp Jr., observed earlier this month.

Under these biannual expenditure limits, even though a contributor can give up to \$2,600 per election to a candidate, a contributor may only give \$48,600 to all federal candidates in a two-year election cycle. And the biannual limits also restrict contributions to national party committees to \$74,600 (with a limit of \$32,400 to each per year).

When the Supreme Court in 1976 upheld an



overall biannual individual aggregate limit of \$25,000 on all contributions to candidates, PACs and political parties, there were no specific contribution limits on political parties and PACs. Without the individual aggregate limit, a person could make unlimited contributions to PACs and parties.

**However, this changed** later when Congress adopted specific contribution limits to PACs and state and national political parties. Thus, such unlimited contributions to PACs and political parties are no longer possible, but individuals are still limited in what they can spend in aggregate on all candidates, PACs, and political parties.

"This biannual spending limit no longer serves any purpose other than to limit how much money candidates, PACs, and political parties may receive overall, while Super PACs and advocacy groups may raise unlimited sums for their political purposes," said Bopp, attorney for the Plaintiffs. Bopp (pictured) continued: "This puts candidates and political parties at a disadvantage and distorts the whole campaign finance system. It drives money away from candidates and political parties that are the most accountable and transparent players in our elections." ❖



## There's no such thing as a free lunch

By **JACK COLWELL**

SOUTH BEND – There's no such thing as a free lunch.

You know the meaning of that saying: You don't get something for nothing. If you're promised something free, watch out, there are strings attached. If it sounds too good to be true, it probably is.



Not everybody heeds that advice. Certainly not a lot of customers back in the days when saloons advertised "free lunch" for anyone who bought a drink. The lunch often was quite salty. So was the price of the drinks, many of which were consumed. That's why the saying became popular.

And it often is used these days to describe political promises.

Republicans in control of the Indiana House aren't citing that saying, but they're wary of the cost of "a free lunch" as they pass a state budget that takes into consideration the real cost of lunch.

Indiana Gov. Mike Pence promised a 10 percent state income tax cut in his victorious 2012 campaign. He didn't win because of that promise. Many other factors were involved in what turned out to be a close race. But Pence expects his fellow Republicans in the legislature, with big majorities in House and Senate, to pass his tax cut, a free lunch to be welcomed by Hoosier taxpayers.

Wait. What's the cost? The House Ways and Means Committee knew it would cost the state the opportunity to restore education cuts made amid the recession and cost also any realistic effort to do more to improve the lousy roads and other infrastructure.

**Thus came a proposed** budget that didn't give the promised free lunch and instead used revenue for something deemed healthier, restoring education funding and providing more for transportation and some other neglected areas of state concern.

Legislative leaders also fear that returning money to taxpayers from a state surplus - not really a surplus when state obligations are considered - would leave the state in bad fiscal shape in another economic downturn. A downturn could come sooner rather than later if Congress can't prevent the sequester cutbacks. And betting on Congress is like betting on the Cubs to win the 2013 World Series. Not impossible. But how likely?

Lunch probably wasn't always bad in the saloons. Could have been tasty. But it wasn't free.

As we're figuring taxes owed for 2012, a tax cut proposal doesn't sound like a prune and jalapeno sandwich on moldy bread. It could be something tasty. But it wouldn't be free.

**As the legislature works** to adopt a budget and the governor keeps pushing his fellow Republicans to approve his tax cut, the debate really will be over this: The cost of the free lunch.

Is it worth it?

Will it help to spur the economy? Or will it hurt the state's future efforts to compete, to have a better educated workforce, to have the crossroads of the nation not crumbling?

In a South Bend appearance to plug for his tax cut, Pence said the cut would make Indiana "the lowest-tax state in the Midwest."

Critics of putting off expenditures for education and infrastructure would say the cost would be making Indiana "the Mississippi of the Midwest."

Warnings in politics about a free lunch not really being free used to come mostly from Republicans. They warned often from Roosevelt's New Deal through Johnson's Great Society.

Republicans said an imagined free lunch of benefits and programs wasn't really free because they were all paid for by taxpayers through higher taxes. Lunch, tasty or not, wasn't free.

In more recent times, especially with the presidency of George W. Bush, warnings come from Democrats.

They say an imagined free lunch of federal tax cuts wasn't really free because cuts were all charged, not paid for, resulting in a horrendous national debt.

**With the Indiana budget**, final approval won't come until another revenue forecast gives a better picture of what will be there for tax cuts now or for education and infrastructure for the future.

Maybe there will be a compromise, with some of that tax-cut lunch being served.

Maybe some of it - or all of it - should be served. Just remember that it won't be free. There's no such thing as a free lunch. ❖

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



## Indianapolis Motor Speedway hits the trough

By **MORTON J. MARCUS**

INDIANAPOLIS - Tim Ptomaine is a quiet fellow not given to hysterics, but the day we met he was agitated. "I had a dream," he said ominously.

Then he added: "When will it stop?"

"Isn't your dream over yet," I asked.

"No," he sobbed. "It goes on and on."

"Tell me about it," I encouraged in my best psychoanalytic voice.

"In my dream," he said, "the Indiana Motor Speedway (IMS) is raking in piles of taxpayer money. They are promising to use the funds to modernize the Speedway, to put lights in for night racing, to upgrade the restrooms, and do other good things."

"That's no dream," I said. "It's a proposal that already received a warm welcome at the legislature. IMS gets \$100 million in tax dollars over 20 years. It's basically a done deal."

Tim gasped, "Is there no end to it? In my dream there were private companies from all over Indiana lined up to feast at a buffet of tax payer dollars. The tables in the dining area were filled with corporations that had already loaded their plates and the line for the buffet kept growing."

"Come now, Tim," I implored. "You know the legislature exists to redistribute money to where it's wanted. Remember back a few years ago when the assessed value of U.S. Steel's property in Lake County was lowered. That act alone was enough to break the back of Gary's finances. That's how our system works."

"**I can't believe that** they are all lined up to seek special privileges for themselves," Tim said. "I saw trucking and warehousing companies from all over Indiana seeking a 25 percent credit on improvements to their own properties. These self-righteous talkers about government spending want tax breaks to do what they should be doing on their own."

"Tim," I said, "you are messing with the theory of democracy behind these pleas for assistance. A group of firms, or one firm (IMS), sees a need and goes to the public trough, but it doesn't automatically get fed. It has to convince the elected representatives of the public's interest in the proposal.

"Fortunately for the IMS, nearly every Hoosier loves

the Speedway, even though it's the granddaddy of the most boring sports spectacles yet invented by man. It brings a lump to the throat when they sing the state song. The roar of the engines, the drinking of the milk, and the kissing of the bricks, all are rituals of triumph under the Hoosier sky.

"**To make the Speedway** better is to make Indiana better. The same applies to other corporate pleadings for assistance. Our companies are too weak to do improve on their own. They need public assistance. If we are going to help poor people, why shouldn't we help corporations in need? Remember, according to the Supreme Court, corporations are people too."

"It scares me," Tim said. "I thought the private sector was supposed to take care of itself, and government was there to keep the peace, regulate commerce from the excesses of human greed, and assist the poor."

"Now," I told my friend, "you are dreaming." ❖

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**The Washington Post**  
SATURDAY, DECEMBER 29, 2007

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

**HOWEY**  
*Politics Indiana*





**Eric Bradner, Evansville Courier & Press:** Gov. Mike Pence is leading Indiana's resistance to joining the list of states expanding their Medicaid programs, but some state lawmakers are making the new Republican governor work hard to get his way. Already engaged in a battle with House Speaker Brian Bosma, R-Indianapolis, and others on an income tax cut that's received a cool reception in the Legislature, Pence spent some of his political capital last week putting the brakes on a measure that would have put an expansion into motion under certain conditions — without giving him the option to stop it. Pence has tried hard to turn his opposition to a Medicaid expansion into a statement. His office this month sent out a news release saying he "flatly refused" to grow the program in its traditional form. The governor also earned the Wall Street Journal's praise for comparing the idea to a "baby elephant" that the federal government would feed in its early stages, and then eventually hand over to states as a full-grown animal with a huge appetite. Meanwhile, a group of moderate legislative Republicans — especially those who represent communities in which hospitals are key economic drivers — were swayed by the 30,000 jobs and the \$10 billion economic injection that an expansion would offer, according to a study commissioned by the Indiana Hospital Association. Many of those Republicans didn't support President Barack Obama's health care law in the first place, but now that it's in effect, they have little interest in continuing to debate a federal issue. Foremost among them is Ed Clere, R-New Albany, who is trying to persuade fellow members to see it his way.

"Frankly, I think there's some feeling among some legislators that this debate is about the Affordable Care Act, and it's not. This debate is about the issue of Medicaid expansion in Indiana, and what that would mean for the state," he said. "Governor Pence made it clear in his letter to Secretary Sebelius that all discussions about Medicaid expansion in Indiana must start with the Healthy Indiana Plan," said Pence communications director Christy Denault. "There's ample opportunity for us to continue to work on this issue of potential Medicaid expansion," Clere said. "I'd rather do it in a constructive fashion with everyone at the table, including the governor, and try to reach consensus on a difficult issue that is probably one of the most important issues before the Legislature." Still, Clere said, Health and Human Services might not act on Pence's request to use the Healthy Indiana Plan as a Medicaid expansion vehicle until well after the General Assembly's 2013 session wraps up on April 29 so a bill addressing the issue might advance regardless of Pence's position. "The legislative session is finite, so we can't sit around waiting. We're going to come to a point in the very near future when we will have to act on this issue, regardless of what has or hasn't

come out of Washington," Clere said. "It's a complex issue, there's no question. But just because it's complex doesn't mean we shouldn't do everything we can to address it fully." ❖

**Dave Bangert, Lafayette Journal & Courier:** You might not care a lick about Twitter or what people are sending up on social media about the state of coffee at Starbucks these days. But there's a teachable moment, as they say in the classroom, in the wide-eyed quote state school Superintendent Glenda Ritz gave to the Indianapolis Star's Scott Elliott last week: "Is that something I should know?" On the surface, the gist of Elliott's question was innocent enough: Who is posting things to the Twitter account bearing your name and title? In context, the exchange between reporter and new superintendent of public instruction was particularly revealing — and a life lesson in social media ownership. Ritz's assurance of Twitter innocence — "I've never tweeted in my life," she told Elliott — came at a time when her touch-and-go relationship with a Republican-dominated legislature was really starting to teeter just two months into her new job. In the midst of a battle over a bill that would have stripped the

Department of Education of control over the school voucher plan, the Twitter site @Ritz4Ed — bio: "Award-winning teacher and Indiana State Superintendent of Public Instruction" — took this shot: "Representative Behning can't be trusted with puppy paperwork, how can he be trusted with vouchers?" The target of the social media grenade was state Rep. Robert Behning, House Education Committee chairman, in reference to the sale and disputed pedigree of a Yorkshire terrier that landed him awkwardly in the news in 2011. (The post was deleted later.) Not a smooth move. Ritz, a Democrat who famously rode a crazy quilt of social media and word of mouth to an upset victory in November, chalked it up to ignorance and to some overzealous volunteers left at her campaign site. In other words: Don't look at me. End of story (aside from Behning's lingering resentment at Ritz's half-hearted attempt at washing her hands)? Not quite. Ritz's campaign continues to pump out daily posts touting favorable columns, letters to the editor and other news about the superintendent and action on education bills. And no, she still hasn't tweeted. Nor has she asked volunteers to scale back. "As long as it's constructive," said David Galvin, Department of Education spokesman and a point person behind the Twitter feed during Ritz's campaign. "We're here now, so we trust our team of volunteers to do the right thing. ... It goes to the idea that people get emails from Barack Obama, but I don't think anyone believes that's actually the president typing that." He has a point. With the volume of social media thickening by the day, it can be tough to know what's real. ❖





## State nixes plan to suspend benefits

INDIANAPOLIS - State officials on Wednesday called off a plan to temporarily suspend the payment of federal unemployment compensation to at least 30,000 Hoosiers (Fort Wayne Journal Gazette). The Indiana Department of Workforce Development had announced on its website that beginning Saturday it would halt extended jobless benefits, which average \$298 a week, because of federal spending cuts known as sequestration, which begin taking effect Friday. An agency spokesman confirmed the plan Wednesday. But Wednesday night, after media reports, Workforce Development Commissioner Scott Sanders issued a statement saying that, after receiving guidance from the U.S. Department of Labor, the agency "will proceed with full payment of extended unemployment compensation until further notice." Sanders said a Labor official had informed him that sequestration will not alter next week's federal unemployment benefits and that "additional guidance will be forthcoming." State unemployment insurance benefits, which can last 26 weeks, would not have been affected by Workforce Development's original decision. In Indiana, federal extended jobless benefits are paid in weeks 27 through 63 of a person's unemployment. Earlier Wednesday, when the plan to suspend federal benefits remained in effect, agency spokesman Joe Frank said: "We thought it was the best course of action to give people certainty in advance. We can turn it around quickly as soon as the federal government gives us more guidance." A Labor Department spokesman referred questions to Workforce Development



opment but said the federal department had asked the Indiana agency to remove from its website the announcement that benefits were being suspended. First posted late Saturday, the announcement remained on the website until it was replaced by Sanders' statement Wednesday night.

## Donnelly says 'stop the drama'

WASHINGTON — U.S. Sen. Joe Donnelly, D-Ind., said Wednesday he has been hearing from Hoosiers about federal spending cuts that begin taking effect Friday (Fort Wayne Journal Gazette). "No. 1 is stop the drama, please. Stop the constant last-day legislating," he said about constituent suggestions during his weekly conference call with reporters. "No. 2 is we cannot continue to spend what we don't have," Donnelly said. "We are in a position where we are asking the Chinese for money to fund our debt and at the same time the Chinese are building an aircraft carrier to compete with us and to challenge servicemen and -women on American aircraft carriers who are from Indiana." The Senate is expected to vote today on plans for replacing the automatic spending reductions, which would total \$85 billion in the next seven months and \$1.2 trillion over 10 years. Donnelly said he supports his party's version, which would cut \$55 billion, with half coming from the military and half from the elimination of direct subsidy payments to farmers.

## Bloomberg impact on Illinois CD race

CHICAGO - In the race to replace former Rep. Jesse Jackson Jr., New York Mayor Michael Bloomberg's super PAC followed a simple strategy: Choose a strong anti-gun candidate,

attack rivals supported by the National Rifle Association and add in \$2.2 million in resources (Associated Press). It worked. Bloomberg's candidate, former Illinois lawmaker Robin Kelly, sailed past more than a dozen rivals to win the Democratic primary in this Chicago-area district where guns became the main issue. Because the district is overwhelmingly Democratic, Kelly is widely expected to win the April 9 general election and head to Washington. Bloomberg's super PAC, Independence USA, boasted Wednesday that the race would be its template for future elections. But political experts and public officials were skeptical if the effort can be replicated elsewhere. "That is a harbinger of what is to come," said Bloomberg pollster Doug Schoen, who worked previously for President Bill Clinton. "While Chicago may not be the rest of the country, I have been at this 35 years, and I've yet to find an elected official who does not look at an election like this and sit up and take notice."

## 1,250 jobs coming to Chrysler

KOKOMO - Chrysler will announce 1,250 new jobs and a major investment today at transmission and metal casting factories in the Kokomo, Ind., area. CEO Sergio Marchionne will confirm that the plans include an investment of \$162 million and the creation 850 jobs at a former Getrag Transmission plant in nearby Tipton. Another 400 jobs will be created at three other factories. The company is investing millions in the Kokomo area to build fuel-efficient eight- and nine-speed automatic transmissions. Chrysler plans to use a new nine-speed transmission in the Jeep Cherokee midsize SUV and in the Dodge Dart compact. The Cherokee will replace the aging Jeep Liberty later this year.