



Long will seek redistricting study

Senate president to seek blue ribbon commission in 2015

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

INDIANAPOLIS – Senate President David Long will seek a blue ribbon commission in the 2015 budgetary session of the General Assembly to study the manner the state draws new legislative and congressional maps.

His comments come after two bills that would have established an independent redistricting commission, HB1032 and SB136, died this past session.

"Senate leadership has consistently stated that we support an analysis of our state's redistricting system as it compares to the rest of the country," Long said in a statement to Howey



Politics Indiana on Wednesday. "We are extremely proud of the maps we drew in the 2011 redistricting effort, where the process was fair, open, transparent, and totally compatible with the recommended guidelines set out by the U.S. Supreme Court."

"However," Long said, "we are also a state that embraces positive, common sense ideas, and we should be open to exploring the experiences and outcomes of states who handle redistricting differently than Indiana. To that end, we will support the creation of a blue ribbon commission in 2015 to analyze the state redistricting landscape across the nation to determine if there is truly a better way to draw Indiana's legislative

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The not-so-free press

By **PETE SEAT**

INDIANAPOLIS – White House press secretary Jay Carney's desk is 50 feet from the entrance to the Oval Office and 50 feet from the podium of the James S. Brady Press Briefing Room. This is no mere coincidence. The Office of the Press Secretary serves two bosses, the president and the press.



That proximity to both can put the press secretary in an awkward position. Depending on whom you talk to, the White House is either in cahoots with the media or the two are in a constant battle over access to the president. Both of those arguments bubbled back to the surface last week, although one



"I have signed SEA176 into law to give the people of Central Indiana the opportunity to decide on the future of mass transit in the greater Indianapolis area. Our capital city is a world class destination and needs a world class transit system"

- Gov. Mike Pence



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part happened inadvertently.

Following an off-the-record meeting of local news anchors from across the country with Carney, a reporter from Phoenix CBS affiliate KPHO went on the air to tell viewers that the press secretary gets questions from the media in advance of each day's briefing. Well, she was wrong. After an online uproar, she apologized for mischaracterizing the situation.

Even if there was some truth, it was a well-worn credo during my time in the White House press secretary's office that "on a good day, you predict 95 percent of questions at the briefing. On a bad day, you predict 85 percent."

The job of the press secretary is to be in constant communication with the media. That means emails, phone calls, texts and tweets, an all-of-the-above strategy of sorts. So if both the press secretary and the media are doing their jobs, on any given day there will be plenty of interaction before the cameras start rolling at the daily back-and-forth.

On the opposite end of the scale is the question of press access. Should the media be given unfettered access to elected officials or should there be some barriers? This has been a common debate in our First Amendment society, and especially in the Obama White House, as the president and his advisors close off more and more events once open to press coverage.

But first, it's important to note that the White House press corps generally has more access to government officials than in almost any other country in the world. The office space used by network, newspaper and radio correspondents is separated from the Rose Garden only by a wall. They can easily walk into the press office at almost any time, either to the space

directly behind the briefing room podium or up the ramp to the press secretary's desk, with a direct line of sight to the Oval Office.

That, however, isn't the beef the press currently has with the White House.

Many reporters have recently called the White House "state-run media." Instead of allowing photographers into meetings to capture a few brief images of the president with foreign leaders or other dignitaries, the White House has resorted to spread-



ing news and information through controlled means including their own website and social media.

In an ironic twist, First Lady Michelle Obama's trip last week to China, a country that actually has state-run media, included not a single member of the press corps on the journey. Instead, the White House kept the public abreast of the trip via blog posts published on their website. An Associated Press photographer, Charles Dharapak, lamented these "visual press releases" at a gathering of the Newspaper Association of America in Denver last week.

This all helps to keep the images of the Obamas intact, but barring the media from important historical moments is a disservice to the public.

In the Bush press office, we went out of our way to accommodate the press. In one particular instance, when all the living presidents gathered at the White House for the first time in 25 years, we understood the historical importance of the occasion and worked to ensure that two "waves" of photographers (far more than usual)

could come into the Oval Office to capture the moment. It only added two minutes to the event but helped to distribute pictures to a wider audience and helped strengthen relations with the press corps.

The current occupants of 1600 Pennsylvania Avenue don't see it that way. They would prefer to put the President of the United States on "Between Two Ferns," a comedy show with professional actor Zach Galifianakis, rather than in front of professional photographers. I get the strategy behind reaching niche audiences and, from every indication, appearing on "Between Two Ferns" worked. I also get that a mutual beneficial relationship

between the White House and the press corps is good business.

But for Jay Carney, the issue of access doesn't put him "Between Two Ferns," it puts him between a rock and a hard place. ❖

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Redistricting, from page 1

districts."

HB1032 passed the Indiana House on Jan. 21 by a 77-20 margin. It had bipartisan support as House Speaker Brian Bosma, Republican Reps. Rep. Milo Smith, Wes Culver and Dick Hamm and Democrats Reps. Dan Forestal, Terry Goodin, Justin Moed signed on as sponsors. The Senate sponsors included Senate Minority Leader Tim Lanane and Republican Sen. Mike Delph.

But neither bill made it to the floor of the Senate.

Both bills would have required the Legislative Service Agency to provide staff and administrative services to the commission. They would establish standards to govern the commission and the agency in the creation of redistricting plans; provide that, if the Constitution of the State of Indiana does not require the general assembly to establish legislative districts, the commission's recommendations for legislative and congressional districts become the plans that define those districts; provide that, if the Constitution so requires, the general assembly must meet and enact redistricting plans before October 1 of a redistricting year; authorize the general assembly to convene in a session to act on redistricting bills at times other than the times the general assembly is currently authorized to meet; and repeal the current law establishing a commission for congressional redistricting.

In May 2011 shortly after the current maps were drawn, Bosma told HPI, "I hope this is the last time elected representatives draw their own districts. I firmly believe that the right place for this to happen is an independent commission that is balanced and can draw maps without some of the political concerns that even our open map process had to go through. I'm sure Rep. Torr and I

will continue with our joint effort to amend our state constitution to allow for an independent commission."

Heading into the 2014 session, Bosma said, "I've seen what political parties can do with the process and I think it's appropriate in a nonpartisan or bipartisan independent commission." Lanane said during the same time frame, "There was a promise that we will definitely do this 10 years from now and, well, we're into 2014 and time flies, so it's time to get that idea back out there and move it forward."

After this year's sine die, Bosma was asked about what happened. "Yeah, boy, well. Session's dead, over, so I believe it's dead at this point," Bosma said.

Why did it die? Bosma responded, "You know, these are our priorities," pointing to the GOP session agenda poster. "You know I personally support that initiative and had my name on it this year. We're not going to redistrict here for awhile, so it generally wasn't a priority to get done this session. Less than 20% of the bills that were introduced actually became law, it might even be 15%, so it was just one of the sidetracked issues of the session. Again it's something that can be acted upon before the 2020 year so we've got some time on it."

Lanane, whose caucus has long pushed for the commission, told Indiana Public Media that it's the Senate Republicans who will need a push. "They're not going to do that just because I say so as leader of the Senate Democrats," Lanane said. "It's going to take, I think, the Speaker, maybe the governor to come forward and say, 'Look, this is good for democracy.'"

State Sen. Mike Delph, who has introduced a constitutional amendment and statutory legislation creating a redistricting commission over the past four sessions, confirmed Lanane's assessment. "There's been very little support in the Senate," he told HPI on Wednesday. "There's very little interest with Republican leaders." ❖



Senate Minority Leader Lanane surveys the 2011 maps for the first time. (HPI Photo by Brian A. Howey

Long talks taxes, TIFs and local home rule

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

INDIANAPOLIS – On Tuesday afternoon HPI sat down for an exclusive interview with Senate President David Long to conduct a postmortem on the recently ended 2014 Session. We asked him to explain the policy implications of the local option business personal property tax cut, the reduction in the corporate tax rate, and what will the blue ribbon tax commission look at as it tackles real property taxes, TIFs, redevelopment commissions, and school funding this summer.

Striking a balance between local and state control was a central feature of his remarks.



Sen. Long also explained why the Senate stripped the light rail option from the recently signed Mass Transit Bill. We also discussed the status of Medicaid expansion and the Healthy Indiana Plan as well as a tour

d'horizon of the state's healthcare landscape. Finally, we asked about the state's plummeting casino revenue and whether it's a pressing issue.

HPI: With a series of personal and business tax cuts over the past 10 years, culminating in this year's business personal property tax reform and corporate rate reduction, when do you think Indiana's economy and unemployment numbers will start to experience the 'fruits of labor'?

Long: "One of my answers to this has always been look at the big, long-term picture: Look at how many jobs we hemorrhaged in this state because we are the most manufacturing (intensive) state in America. It started before the Great Recession — in my neck of the woods, Northeast Indiana, it was a lot longer than that. So we've seen this erosion that was happening as we went into a global economy where things were being made elsewhere in the world and American companies were investing in cheaper labor in China and Asia. There was a cost to a lot of traditional American manufacturing jobs. Indiana has made a strong comeback from that and it's taken time. Just because that's such an important piece of our job sector here, the fact we're down to 6.4% unemployment is a feather in our cap be-



cause we're now below the national average, lowest in the Midwest. That is all indicative of a positive direction for the Indiana economy.

"We're also investing in workforce development which many people feel is the key to a sustained recovery program. I use Scott Glaze from Fort Wayne Metals as a good example: A guy who is very involved in apprenticeship programs reaching into the high schools trying to train a workforce, get them a two-year accreditation as well so they have an employee that is not only local and dedicated but is able to handle their advanced manufacturing needs in that company. The guy is an absolute patriot for Indiana, for Northeast Indiana, and for Fort Wayne but he's frustrated he cannot fill the jobs he needs to fill. He fits the mold of the modern advanced manufacturing company where they have great jobs and are actually creating them in Indiana but we don't have a skilled-enough workforce to fill them. He could easily go overseas but he doesn't want to. Workforce development is the key to keeping companies like that healthy and growing and employing Hoosiers.

"When I talk to leaders across the country, other Senate Presidents for instance, what we're doing in Indiana is what they're talking about possibly doing. I saw [Ohio Gov.] John Kasich on the Sunday talk shows talking about workforce development. They're behind Indiana in workforce development and looking at us and seeing what

we're doing and trying to emulate it. We're out front; we're doing what we need to do to deal with what you said, which is a stubborn unemployment number, which is improving, but we need to improve wages as well and the average income for people in Indiana and that's the way to do it."

HPI: You've been talking about states rights but we've been seeing local governments in Indiana wanting greater home rule. What's the difference?

Long: "We have clearly defined rules in our [state] constitution as to what home rule ultimately is, which is: Unless we give it to the cities, the state controls it.

HPI: But the constitution doesn't even mention cities.

Long: "What we do though with our own processes is try to give local government the ability to make up its own mind on issues. I think we're fairly consistent. We gave them ability to do that with the

business personal property tax. You have a lot of people howling about that but the fact of the matter is that it's all optional. We did not cut anybody's local taxes but we gave them weapons to grow jobs as they see fit. For a county like Allen County or Marion County, they have the 'Super Abatement.' They're in on every single project that comes to the state of Indiana by giving them that. There are options out there for locals to use and I think it will work because of that. I think we thought it through and will continue to think through how you would implement the elimination of the business personal property tax in each county. We're going to have a blue ribbon study commission looking at things like these phantom income tax councils in every county right now. The way that you implement an income tax locally is you have to have 51% of the population represented in any vote. In a lot of places that requires a couple towns together or the county itself controls it. In Fort Wayne, where I'm from, the city of Fort Wayne has 72% of the population of Allen County now, approximately. So this council never meets because all you need is 51%. We have to figure out how to allow the entire county and all its units to participate in the discussion of the elimination of the business personal property tax. But it's all home rule-driven; it's looking to allow for more participation by all the units of government not just a few. That's a positive change.



"All options are local to allow counties, especially rural counties, who don't really have much investment, to have an opportunity to make themselves more attractive and get in the game. We have a problem in rural Indiana with a lack of business activity. One of the arguments for eliminating the business personal property tax was to allow them to become a more attractive venue, to bring plants to their counties. The 'Super Abatement' allows large counties who cannot afford to get rid of the business personal property tax entirely to be able to compete for any individual project on a project-by-project basis. I think we found a balance there that allows it to go forward without creating this carnivorous competition between counties. We're going to take a hard look at some of the implementations of this between now and July, so if we think we need to tweak it we can tweak it next year, in a budget year.

"We're trying to accommodate, I think, better home rule. If you look at the decision we're making with Allen County alone — going to a single county executive is going to a referendum this fall — we're allowing the

people of Allen County to decide for themselves can we put together a better structure of local government which we think works for our unique county instead of the cookie-cutter process that we use for all counties, except for Marion, Lake, and St. Joseph."

HPI: You used the language of giving "options" to local governments, why did the Senate feel it was necessary to remove the light rail option from the Mass Transit Bill?

Long: "Our studies found that light rail has been an abject failure in almost every part of the country. It requires a lot of additional support from the taxpayers, ultimately, once it's established. This proposal only came to 10th Street, I don't know, where it would have terminated and you would have to have buses bring people to downtown from there instead of having a light rail system that worked continuously throughout the area. So, it was going to have all kinds of problems to begin with. I went out and took a look at the Charlotte light rail system and I was unimpressed by their light rail. There wasn't much to it and they're pulling back from what they're proposing and it didn't really seem to sell itself as far as creating additional development whereas on the other hand I was very impressed with their bus system, which is very modern, very efficient, and very effective. I think the argument can be made that a rapid bus lane coming from Ham-

ilton County might work. You're not creating new tracks; you're not building new infrastructure. I think you try to make a responsible decision to hand over to people when they are voting on something so it has been fully vetted, which I think we did a lot of here, going through the local groups looking at this and legislature the past couple of years. The leadership understood the issue very well. I don't think anyone thought light rail was going to work. We probably did them a favor in a sense of eliminating that so they can really look at what needs improving which is a bus system that is modern and efficient and whether they want to impose that on themselves or not. In the end it's going to be up to local governments. It's home rule but I don't think home rule means you divorce yourself from a thoughtful decision on what you're going to allow people to vote on. In every way I think we're evolving to a better a home rule system."

HPI: Preceding the 2014 session the majority of attention was on the proposal to eliminate the business personal property tax. However, when the session was ending you said the corporate rate cut was the "linchpin of Senate Bill 1." When did you feel that tax cut was more important?

Long: "If you look at SB 1, I think you saw what the Senate thought was the best tax policy. We cut the corporate tax for a lot of reasons but the big picture issue was the United States has the highest corporate tax

in the world and you put on top of that the 25th highest state corporate tax. It's a disincentive for companies to come and locate in Indiana. And all the big companies that we want to attract here, and we're going to have some good news about that in the next couple days, are more big company investment. We want it to be an incentive to come here, not a disincentive. The corporate tax, we thought, was the important cut. But we did, in a nod to the Governor's desire, create a corporate tax cut for small businesses, which was different from what he was talking about and different from what the House came up with. We managed to blend all those ideas together in a responsible way. I feel the corporate tax is the most important part of the tax cut but the business personal property tax becomes a very effective option for local governments on a project-by-project basis. So, one creates a really more inviting environment for the state as far as investment in Indiana by cutting the corporate tax but the other allows a county-by-county option to attract projects. But I think the corporate tax is more important overall, because I think in the end that will pay the biggest dividends."



HPI: Is state replacement revenue off the table for local governments after Senate Bill 1?

Long: "Yes, it doesn't need to be. We were told by the mayors and counties if you reduce our revenue make us whole. Well, we didn't reduce their revenue. We gave them the option they have today to reduce their revenue. One of the things that Sen. Hershman liked to point out was that he got call from a mayor that complained that if you eliminate the business personal, which we weren't calling for in the Senate or the House, that it would cost them several hundred thousand dollars in revenue a year. The night before they had just had a \$4 million abatement for a project. The fact is they're using these tools already and they're using them regularly. It's an option they have; we gave them more options."

HPI: Senators said the tax cuts would encourage efficiency at the local level. Should we be looking at townships and school corporation consolidation when we talk about inefficiencies in local government?

Long: "I always argue this with the Chamber and Gov. Daniels, I think they really got distracted on the whole discussion about local government reform when they got caught up in the townships. With a few exceptions, townships have not been a problem in Indiana. They're a very efficient way to deliver services in rural Indiana. You find the inappropriate use of funds and inefficiencies in the larger counties, Marion and Lake, are two pretty strong examples of where you had problems and a refusal or inability to reform themselves. The argument

with the school districts is a more valid one. Like a lot of things with government, I think the tax caps will force more efficiencies over time. I think you'll start looking at a united administration of these school corporations in Miami County, just by way of example. It could be any county, pick 'em.

"There are a lot of inefficiencies in the administration of our schools. Not everywhere, some are doing a very good job of it and some are not. In Marion County here, we saw IPS with a our new School Superintendent [Lewis Ferebee] saying they didn't have a deficit they actually had a surplus. That's a very interesting situation. That's maybe just an example of someone coming in and saying, 'Well, first of all, we're going to be honest about what our numbers are and, second, we're going to bring in some new efficiencies not considered by prior administrations.' I like this new Superintendent; he has courage, he is young, and he seems like a good man."

HPI: Do you have any guidance on what the blue ribbon tax commission should investigate?

Long: "I did mention how do you implement the income tax councils in each county to make sure you have full participation by the units in each county. I've never liked the way they are now. I feel these things ought to meet and there ought to be a little more consensus amongst all units. We're going to look at TIFs and we're going to look at redevelopment commissions. We're going to make sure we have a smart tax policy. TIFs hurt schools but they're an important economic development tool. They need to exist; we need to make sure that they're controlled and they're doing what their original intent was, which is specific to the project. If you build a shopping center and you need to improve the streets and exits and put stop lights up and things like that, that TIF can help pay for those improvements contiguous to your project. But when you start having TIFs where you're taking money from one area then running along a road for three miles and taking care of something downtown, like they did in Fort Wayne from Jefferson Pointe, that's not appropriate. If you make these things permanent by tapping into this to allow a new TIF district they never end and the schools, which are doing without, never get the money. They don't have a say in this. So reforming TIFs — we'd be foolhardy to get rid of them but making sure they're limited in scope and true to the intent, which is to be tied to an improvement, should be one of our goals.

"Redevelopment commission is the same argument. You want to make sure that the bonds they're utilizing are not continuously rolled over. Bonds never get retired in some cases, they're just perpetual. A bond should be specific to an economic development goal. How do you improve those circumstances on behalf of the taxpayers without hamstringing local economic development. That's another thing that will be studied by this commission.

"Real property taxes and personal property taxes will be part of this tax discussion, both together. Looking at these transportation problems we've been seeing crop

up with our school districts, do we need to allow more free flow of dollars between the property tax funds schools utilize in order to make sure they're not being inappropriately limited? Those are all part of the tax reform discussion. It's going to be looking back at the property tax reform we've already implemented to look at some of the complaints we see and where improvements can occur."

HPI: Could you put Indiana's economic position in a national context considering things like the ACA?

Long: "You bring up Obamacare and, of course, that's an ongoing discussion between Republicans and Democrats here and my colleagues on the other side of the aisle think we should fully invest in the Medicaid system. In Indiana we're generous once you get into our program but we do not allow as high a level of the poverty rate to participate in our Medicaid program as say Ohio does. It's easier for Ohio to jump into the existing Medicaid system than it is for Indiana; it's much more expansive for us. Plus, we feel there are a lot of problems with the Medicaid system: We all know there is fraud, they hemorrhage a lot of money unnecessarily, they're inefficient. What Gov. Pence has been trying to do, and I think is successfully making progress here now, is to allow for a state-driven example: let Indiana lead the country among the 25 states that have chosen not to expand Medicaid. It seems to me it's in the interest of Washington, if they want this to happen, to allow the states to implement a more efficient, more effective — if you want to call it 'Skin-in-the-game,' that's a little over-used phrase — where people take more personal responsibility for their healthcare than they do today and require that in such a way that it really cost the taxpayers far less and allow people who don't have health insurance today to get it. We all agree that people need that. Indiana has the chance, and Gov. Pence deserves credit for pushing hard and having a number of meetings out in Washington on this, to be a leader among states who chose not to expand Medicaid.



"I'm a very state-driven guy, as you know. I believe in states rights. I really do think states are required to balanced their budgets; some states do it a lot better than others. Indiana has a great track record in the past decade and Illinois still can't seem to figure it out. Not every state is efficient. States are the laboratories of democracy; we come up with more efficient ways. Any new ideas about how to get something done properly doesn't come from Washington, it comes from the states."

HPI: By the 2015 Session we're going to know a lot more about the ACA and HIP. Is the next session going to be focused on healthcare?

Long: "I think every session is going to have a

healthcare discussion going on and I guess it depends upon how willing the current administration in Washington is to being open to a state-driven process. That may take beyond next session to get there. I think they're very conscious of elections so next year could be the year they allow that to happen. It might not be. This is one of the huge issues of our day and will continue to be. The percentage that Medicaid takes up from our budget is an issue for every state; it's just an increasing percentage of it and continues to engulf and devour our budget. We have to get some controls on that. That's not going to go away with the expansion of Medicaid. This financial model is likely to be changed dramatically and I don't see the states being the beneficiary of that so we have to recognize there is a major cost associated with that.

"I think there is a problem with people who don't have health insurance today. It's how to deal with that. I don't think Republicans and Democrats disagree that is a problem that needs to be addressed but it's how do you do it. I'd rather the states with the participation of the federal government, obviously, be allowed to drive the ultimate plan that goes into place rather than have it imposed from Washington. To be honest with you they just cannot get it done."

HPI: State gambling revenue continues to plummet, will the legislature address this next session?

Long: "It's a source of revenue for the state and it's legal in this state. The issues always are, 'Am I expanding gaming?' Some legislators famously say they've never voted for it and never will, but they think the revenue is important they just don't want to be on the record supporting it. We have a Governor that says I don't want to expand gaming and a Speaker and Pro Temp who feel the same way. But your definition of what's expanding gaming, that's where it breaks down. I don't see a problem with allowing the existing entities to be as efficient as they can.

"If you look at the competition that's out there, Ohio is continuing to expand their gambling presence, Illinois is about to get into that game, and Michigan with their Indian casinos are expanding their presence. We're losing money to these states right now. People from those states are not coming into Indiana anymore. Our system is built to draw them. If you understand the model, which is to bring people from Ohio, Kentucky, Illinois, and Michigan into Indiana to use these facilities, then we've got to make sure they're competitive or they're going to flop. If that's okay with someone that's fine, but where are you going to replace that money. You have to have that mindset?

"If they want to continue to have this revenue source and be a meaningful one, has to allow these entities to be competitive. We have to get our heads wrapped around what's a true expansion of gaming and what is not. I don't think we've figured that out but it would be important to the leadership to come to a consensus. We need to have the discussion. You're question is a very fair one and I don't have an answer for you right now." ❖

Chamber, IMA split on Waterman/Bassler

By **BRIAN A. HOWEY**

INDIANAPOLIS – The Indiana Manufacturers have endorsed State Sen. John Waterman. The Indiana Chamber endorsed Eric Bassler. The Indiana AFL-CIO has yet to weigh in. So goes the spirited, tossup SD39 Republican primary between the long-time senator and the upstart Washington city councilman.

Jean Ann Harcourt, who chairs IMPAC Board, stated, "Senator Waterman has been a solid voter on behalf of Hoosier manufacturers these last two legislative sessions." Harcourt said that Sen. Waterman voted in support of the Pence budget, tax cuts for Hoosier workers, and for a reduction in the corporate income tax rate. "He also voted against the mass transit bill this year that would have allowed some counties to tax corporations to fund more local government spending."

IMA President Pat Kiely added that in addition to his business-friendly position on the Pence budget and taxes, Waterman also voted in support of capping what hospitals can charge employers for worker's compensation claims; and he was in favor of legislation requiring additional review of the controversial Rockport substitute natural gas (SNG) contract with the state. While noting Waterman scored a 94% and 100% voting record with the IMA in 2013 and 2014, Kiely said, "Senator Waterman has consistently voted to keep business costs low in Indiana these last two legislative sessions; and for that, we endorse him for re-election."

But Chamber Vice President Jeff Brantley, who heads its political action committee, observed, "Statements from Harcourt and Kiely are quite specific in limiting their scoring and justification for this move to only the last two legislative sessions. That conveniently leaves huge issues from 2011 and 2012 out of the equation in justifying their decision. Waterman was woken from his slumber this session by a primary challenger and suddenly was very active, but also note who else is supporting Waterman."

Brantley pointed to a flier from the Indiana/Kentucky/Ohio Regional Council of Carpenters urging members to "join your union brothers and sisters at a lunch to support Senator John Waterman. Let's keep politicians who will fight for workers' rights." The luncheon is scheduled

for April 5 at the Linton City Park.

The flier adds, "Sen. Waterman has been a longtime friend of the construction trades. As a former tradesman, John understands the work that we do and the challenges we face. His record shows that he's more than just talk; he also walks the walk."

"Truly, Sen. Waterman's economic agenda is one espoused by Big Labor, the AFL-CIO, President Obama, Nancy Pelosi and other Democrats in Washington," said Bassler campaign manager Grant Swartzentruber. "This agenda is not one that is supported by most hard-working Hoosiers in Southwest Indiana."

Waterman and the Senate Majority Caucus campaign sent out a direct mail piece last week taking aim at his Republican challenger, Washington City Councilman Eric Bassler. It's a classic example of a legislator using city issues to paint a challenger as a big tax and spender. The Waterman mailer asks the question, "Is there evidence that Eric Bassler represents traditional values of Southwest Indiana voters?" It then notes that while Bassler calls himself a "fiscal conservative," the mailer says, "as a member of the Washington City Council he voted to increase water rates by 40% and sewer rates by 18%."

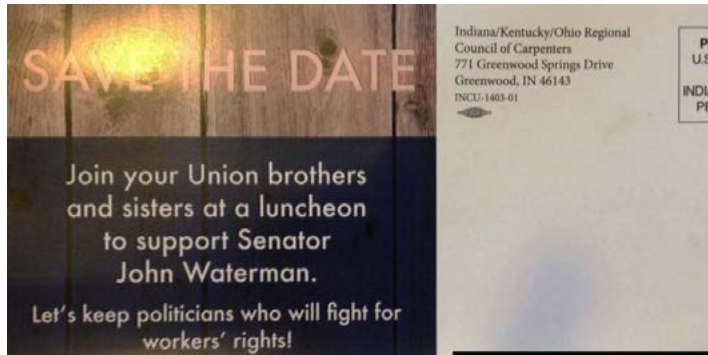
The mailer claims that the councilman "voted to hide the city's financial status from the taxpayers." And it says that "he portrays himself as a 'conservative' but he is not supported by any of Indiana's major pro-life or pro-2nd Amendment groups."

Swartzentruber observed, "The Bassler campaign must be doing something right! People in southwestern Indiana are tired of the failed leadership of John Waterman, they are tired of his antics, and they are responding positively to Eric Bassler's message. A man from Greene County emailed me to say 'I'm looking forward to asking Eric tonight if he is hiding anything else besides raising water rates!'"

Bassler began running a radio ad this week on WAMW FM & AM in Washington. It says, "It's been said, 'Politicians and diapers should be changed frequently and all for the same reasons'. Eric Bassler isn't a career politician. He supports term limits and limited government. Eric Bassler will stand up for traditional family values. Eric Bassler is pro-life and a strong supporter of our 2nd Amendment rights. The time is now. Let's send our very own Eric Bassler to the Indiana State House. Visit ericbassler.com for more information. Vote May 6th for Eric Bassler for State Senate." **HPI's Horse Race Status:** Tossup

HD22: Letter campaign continues

The Republican primary showdown between State Rep. Rebecca Kubacki and Curt Nisly continues to play out on district editorial pages in local newspapers. There



have been a number of letters in the Warsaw Times-Union and the Stacypage.com website supporting Nisly. "More than once, I was fortunate enough to officiate the Indiana state tournament, back when all schools played for a single championship," said Marion Acton, former Wawasee teacher, administrator and school board member, on March 18. "Each time, I called them as I saw them, and see no reason to use a different approach now. In my view, Rep. Rebecca Kubacki has the wrong approach on education. I am troubled by her support for nationalized education standards. Education is something to be handled locally. Kubacki is making an even bigger mistake by seeking to exclude parents from the education and policymaking process. In addition to my time as an official, I spent 53 years as a teacher, administrator and school board member, mostly for the Wawasee School District. Let me tell you, we always worked to have parents at the very center of the picture in educating a child. The idea of excluding parental views does not make any sense to me." **Horse Race Status:** Leans Kubacki.

SD15: Brown pledges term limit

Former Fort Wayne councilwoman Liz Brown is pledging to serve only two terms if elected to the seat being vacated by retiring State Sen. Tom Wyss. In other developments, Allen County Sheriff Ken Fries and Allen Councilman Darren Vogt have begun their direct mail campaigns. **HPI Horse Race State:** Tossup.

SD27: Raatz endorsed by IMA, IFI

Jeff Raatz has been endorsed by the Indiana Manufacturers Association and the Indiana Family Institute. He is seeking the seat opened by retiring Sen. Allen Paul. "We are pleased to endorse Jeff as a pro-family leader with a special passion for excellence in education," said the IFI's Curt Smith. "IFI believes he will be a true servant-leader who remains connected back home as a member of the Indiana General Assembly." **Horse Race Status:** Tossup

SD31: LaMotte supports creationism

Marketing specialist Crystal LaMotte is questioning the conservative credentials of six-term Republican Jim Merritt (Berman, WIBC). She says Merritt should have fought to restore the original version of a constitutional ban on gay marriage after the House deleted a ban on civil unions. She says she'd work in the Senate to ban abortions for minors and allow creationism to be taught in schools. **Horse Race Status:** Safe Merritt

HD48: Rep. Harman endorses Bohannon

State Rep. Tim Harman has endorsed Jesse Bohannon in his race for HD48. Harman touted Bohannon's conservative principles. More conservatives are needed in the Indiana legislature and "that's why I am endorsing Jesse Bohannon," Harman said in a press release. "Jesse has the courage, the conviction and the passion to further

the conservative cause by fighting for limited government, traditional values and the free-market system."

Fishers mayoral: Fadness endorsed

Republican Fishers mayoral candidate Scott Fadness has been endorsed by the Hamilton County Professional Fire Fighters, IAFF Local 4416, representing 320 Hamilton County firefighters. Tony Murray, president of the IAFF Local 4416 and chairman of the IAFF Local 4416 Political Action Committee board, said, "Scott Fadness understands the importance of public safety and that essential fire and rescue services require providing our professional firefighters with top-quality equipment and resources to protect the residents of our community. The Hamilton County IAFF Local 4416 is proud to offer our strong support and endorsement of Scott Fadness." Murray was joined by Jeff Stephenson, the IAFF Local 4416 Fishers District vice president. Stephenson added, "Scott has been a tremendous leader for Fishers and a partner to the hardworking firefighters who work to keep our community safe in a variety of ways. We believe Scott Fadness has been a champion for Fishers and he will make a great mayor."

Indianapolis mayoral: Parker mulls

Former Indiana Democratic Chairman Dan Parker raised eyebrows by saying he is exploring an Indianapolis mayoral run. "As a person who has held a leadership position and helped elect Democrats, I've been approached about running for mayor," Parker told HPI. "I've been encouraged by the amount of support I would have." Parker



served as state chairman from 2004 through last year. In that position, he recruited legislative and Congressional candidates. Prior to chairing the party, he served as U.S. Sen. Bayh's state director. He also served on the staff of U.S. Sen. Edward Kennedy and later his political action committee. Parker, 44, who lives near Perry Meridian High School with his wife and two children, said he would make his decision by Easter. Parker said he had

met with Bayh, former mayor Bart Peterson, U.S. Rep. André Carson and other Democrats about a potential candidacy. "I'm going out and giving the pitch," Parker said. "If I run, it will be the kind of campaign that Bart ran in 1999 and Mitch Daniels in 2004."

He said of his former boss, "Evan is going to be supportive." Parker worked on Peterson's historic 1999 campaign that ended a generation of GOP rule in the city.

As chairman, Parker feuded with former Marion County Democratic Chairman Ed Treacy and current Chairman Joel Miller is no fan, so there is a real chasm between

city Democrats and those more state-oriented. For Parker to find success, he's going to have to operate outside of the Democratic establishment. In doing so, the risk is for a divided party while potentially challenging a popular incumbent mayor.

If Bayh were poised to run for governor or reclaim his Senate seat in 2016, that would provide considerable heft to a Parker candidacy. There is no obvious Democratic gubernatorial frontrunner at this point. But multiple informed and reliable sources are telling HPI that Bayh will not run for anything in 2016. He has not responded to requests for an interview.

So Indianapolis Democrats face a relatively weak field once District Attorney Joe Hogsett opted not to run. The only declared candidate is Washington Township Trustee Frank Short and the sense is there is not a developing groundswell of support for him at this point. Councilmen Vop Osili and John Barth are considering a run, sources tell HPI. A recent poll conducted by an unknown source tested potential candidacies of State Rep. Ed Delaney, Sheriff John Layton and Prosecutor Terry Curry. Both Layton and Curry are seeking reelection this year. Other names circulating include IPS School Board member Sam Odle and Health and Hospitals President Matt Gutwein. Amos Brown wrote in his Indianapolis Recorder column in January that in addition to DeLaney, Council President Maggie Lewis and Councilman Brian Mahern are considering.

"Of that group, DeLaney's been the most vocal about wanting to run for mayor, if Hogsett didn't," Brown wrote. "A bunch of folks in our Black community, including me, have strong reservations about DeLaney. Many remember he was partial to efforts to eviscerate township government, which was a direct attack on Black duly elected officials. DeLaney has been invisible to our Black community and like a silent sphinx on key issues our Black community cares about. Though to be fair, in 1998, a year before the 1999 mayoral election, Bart Peterson was unknown to our Black community and the mass of the city. Peterson spent 1998 going all over the city and county talking with Democrats, independents and even Republicans on what Indianapolis needed to enter the 21st Century."

For perspective, heading into the 2011 cycle, Melina Kennedy's campaign was already well underway by this point, deep into a fundraising program and had the element of consensus, though she did not formally declare until 2011.

Mayor Ballard didn't declare his intention for reelection for a second term until December 2010. Ballard campaign consultant Jennifer Hallowell told HPI of the undecided mayor's time table, "It could be as late as December, it may be earlier. I don't expect it would be any time before June."

Hallowell cited polling late last year showing a 62% job approval rating for Ballard, while 67% like him personally. At the University of Indianapolis last month as

Ballard chatted with former mayor and Sen. Dick Lugar and former senator Sam Nunn, Ballard told Nunn that recent polling showed most city residents don't view him as "political," similar to polling he saw in 2010.

Of the mayor's approval levels, Hallowell observed, "The mayor's personal image with voters also continues to be very strong. Quite a feat in a majority Democrat city. He's in as good a shape as he can be within our control. Our biggest challenge is the number of Democrats in the city." And this comes as the new Market Square Arena site is about to be developed with a new high rise office complex and a divisional headquarters for Cummins Engines.

HPI forecast: Indiana's political landscape is littered with two-term mayors who later regretted running for that third term. This includes such notable figures as Win Moses and, perhaps, Bart Peterson. We view Ballard as in a strong position to win a third term, though the city demographics make it far from a slam dunk. And a big city mayor is only one police scandal, one blizzard, one indictment down the food chain that can quickly translate into a significant vulnerability. The slam dunk dynamic comes into play if the Democrats can't find a consensus candidate and enter 2015 as a divided party. There's still time for them to sort it all out, but the longer it takes, the weaker the party's chances are.

U.S. Senate: Silver gives GOP edge

When FiveThirtyEight last issued a U.S. Senate forecast way back in July, we concluded the race for Senate control was a toss-up. That was a little ahead of the conventional wisdom at the time, which characterized the Democrats as vulnerable but more likely than not to retain the chamber. Our new forecast goes a half-step further: We think the Republicans are now slight favorites to win at least six seats and capture the chamber. The Democrats' position has deteriorated somewhat since last summer, with President Obama's approval ratings down to 42% or 43% from an average of about 45% before. Republicans have great opportunities in a number of states, but only in West Virginia, South Dakota, Montana and Arkansas do we rate the races as clearly leaning their way. Republicans will also have to win at least two toss-up races, perhaps in Alaska, North Carolina or Michigan, or to convert states such as New Hampshire into that category. And they'll have to avoid taking losses of their own in Georgia and Kentucky, where the fundamentals favor them but recent polls show extremely competitive races.

The Rothenberg Political Report forecast on March 14 that "GOP gains inch up between four and eight seats." The GOP needs six seats to win a majority. "The landscape that defines the fight for the Senate continues to shift in a way that benefits Republicans, though it isn't yet clear how fully they can take advantage of the opportunity."

While Stuart Rothenberg sees questions on Democrats holding seats in Iowa and Michigan, he observes, "Republican primaries in a handful of states could still produce controversial nominees, and if weak Republicans

win Senate primaries in North Carolina, Kansas, Louisiana or Georgia, Democratic opportunities in those states could grow."

2016 Presidential: 'Dazzling' Pence

Politico goes beyond Jeb Bush, Gov. Chris Christie and Sens. Rand Paul, Ted Cruz and Marco Rubio and sets sights on "two other intriguing governors — Wisconsin's Scott Walker and Indiana's Mike Pence." Politico observes that both "lack Bush's financial prowess. But they are big-state Midwestern governors with conservative records and a following among rank-and-file party activists, representing some of the brightest spots in the GOP's state-level comeback since 2010." Pence, with little more than a year as governor of Indiana, strikes conservatives as a dazzling talent on paper, and has not lifted a finger to explore a bid for the White House. Yet the former member of the

House GOP leadership team is listening to those who hope he will run: Pence has met with prominent conservative activists and heard out supporters making the case for 2016. "One thing that surprises me is who is urging Gov. Pence to consider the presidency. It goes beyond his inner circle to folks I'd have thought were already committed to other candidates," said Kellyanne Conway, the pollster for Pence's 2012 gubernatorial campaign. "They know the governor is 110 percent focused on his day job, but they want a full-spectrum conservative who has experience and trust in all of the main policy spheres." Gary Bauer, social conservative leader and 2000 presidential candidate, singled out the "formidable" Pence for praise: "The question that remains to be answered is whether Gov. Pence will feel a compelling rationale and touch all the bases with his family and so forth, to see whether he wants to go for it." ❖

Lake GOP in a state of disarray

By RICH JAMES

MERRILLVILLE – It's no wonder that Democrats continue to dominate politically in Lake County. Republicans are in such a state of disarray that they can't even begin to mount a challenge to the Democrats. The latest intraparty squabble is one of the best in recent decades.



At odds are Lake County Republican Party Chairman Dan Dernulc, who also is a county councilman, and Kim Krull, who was chairwoman prior to Dernulc, who was elected chairman in March 2013. Krull, who didn't seek re-election, supported Allan Katz as her replacement. Dernulc won by seven votes.

What has transpired since has led to Dernulc and Krull filing charges against each other.

Krull has filed a complaint with

the Indiana Republican Central Committee asking that Dernulc and county party treasurer Andy Qunell be removed from office, or at the very least, reprimanded.

Krull charges that Dernulc has formed a "new" party for the purpose of avoiding debt, and that the new party hasn't been sanctioned by the State Central Committee. She added that Dernulc wanted receipts from the Lincoln Day dinner under his chairmanship to be paid to a political action committee formed as part of the new party.

Krull said the new party resulted when Dernulc added "The" to the Lake County Republican Central Com-

mittee's old name. Krull alleges that Dernulc is trying to avoid repaying an \$18,525 debt claimed by the family of former chairman John Curley, who made a personal loan to the county organization. Curley was chairman from 2003 until his death in 2009.

But Krull isn't the only one doing the name calling. The Lake County Election Board, which has two members appointed by Dernulc, is trying to hold Krull responsible for failing to file a finance report for 2013, her last year as party chair.

One of Dernulc's Election Board appointees is Dana Dumezich, the wife of state Republican Central Committee Treasurer Dan Dumezich. The county appointment is a paid position.

Krull wants Dan Dumezich recused from hearing her complaint. She says that when she stepped down as chairwoman a year ago that she turned over all party financial records to Dernulc and Qunell.

Dernulc, through his attorney David Wickland, acknowledged having received the financial records. In August 2013, Wickland wrote to Krull saying that in order to achieve a "clean break" – because a "new" party had been started – he wanted to return the old financial records to Krull.

Krull said she refused to accept return of the records. As a result, the Dernulc appointees to the county election board want to fine Krull for failing to file the annual report.

Dernulc has declined comment. In the meantime, both Krull's and the election board's complaints await action. And Democrats are smiling with an eye on the November election. ❖

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

A Pence supporter works against him

By **MAUREEN HAYDEN**
CNHI Statehouse Bureau

INDIANAPOLIS – In his years as a party activist, Rushville Mayor Mike Pavey raised money and votes for fellow Republican Mike Pence, a former congressman who now occupies the governor's office.

Beyond sharing Pence's pro-business, small-government ideology, the engineer-turned-mayor has long felt a special kinship with the man. It was in the small city of Rushville where Pence, having flamed out in a second run for Congress, launched his conservative talk radio show 22 years ago.



The talk show was soon syndicated statewide, and it revived the man who'd been left for dead politically. Pence won on his third try for Congress, and he was re-elected five times. Rushville and the surrounding Rush County went for Pence in his narrow 2012 gubernatorial victory; he won by 10 points more there than he did statewide.

Despite their history, Pavey has spent the last three months working against Pence, specifically the governor's top legislative priority for the 2014 session and one he will sign today in Greenwood. Along with Republican and Democratic mayors statewide, Pavey has pushed back hard against Pence's proposal to eliminate a business tax that generates about \$1 billion a year for schools, libraries and local governments.

Pence and his GOP legislative allies have said eliminating the tax levied on machinery, equipment and other property is a sure-fire job creator. But they've not come up with a plan to replace the lost revenue.

Pavey is worried, knowing a full repeal of the tax could mean about \$1 million per year in lost revenue for Rushville. The property tax caps of 2008 reduced city revenue by more than 38 percent, causing serious cuts. Pavey had this description of the Pence plan for the business tax: "It felt like a professional hit. And it felt like a personal one, too."

Pavey left his Rushville office several times during the session to lobby lawmakers to vote against two different tax rollback bills, and he helped mobilize Rush County Republicans who control city and county government. The county commission, county council and city common council teamed up with the school board and local Chamber of Commerce to pass a joint resolution, mirroring those passed by Republicans across the state, that opposes any legislation to reduce or eliminate the business



Rushville Mayor Mike Pavey with then U.S. Rep. Mike Pence in the mayor's office.

tax.

Common Councilor Bob Bridges and County Commissioner Bruce Levi, both Republicans, called Pence's proposal "devastating" for the community and its schools.

You'd think all those Rush County Republicans would have taken comfort in Pence's oft-repeated words that he and the super-majority Republicans in the Legislature would protect communities from being "unduly harmed." But his failure to define "undue harm," along with the absence of a plan to replace revenue, spoke louder than his words.

In the end, Pence's big plan fell short. The legislation that came out of the General Assembly in its waning hours is just a partial rollback. It gives counties the authority to begin reducing the tax in July 2015 and sets up a "blue ribbon" commission to study the tax and its impact. But Pavey and his peers remain both vigilant and convinced of the eventual end of the business personal property tax, with no replacement dollars from the state. And that pains the mayor.

"I like the governor personally," Pavey said. "It's a very uncomfortable position to be put in, to have to say to him, 'Slow down before you hurt this community.'" ❖

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

Corporate tax rate can make a real difference

By **KEVIN BRINEGAR**

INDIANAPOLIS – Just a few years ago Indiana had one of the very highest corporate income tax rates in the nation. Recognizing the pitfalls of such a dubious distinction, legislative leaders and the business community began to seek action to make Indiana as attractive as possible to existing and potential employers.



That mission took a major step forward this year with Senate Bill 1, just signed into law by Gov. Mike Pence. Senate Bill 1 picks up where the prior phase-down stopped, at 6.5% by 2016, and continues a gradual reduction over the next six years, bringing the corporate income tax rate to 4.9% by 2022, which will be the second lowest in the country.

And corporate tax rates do make a difference; it's something members of both parties can and have acknowledged. Indeed, President Obama has offered a proposal to reduce our federal rate.

The debate over the extent that tax rates affect the economy is one that cannot be resolved in this space. But they are definitely relevant to the cost of doing business, how much a business can produce for what price, how much a business can pay its employees, and how and where a business operates. And we all know the bottom line remains important, and taxes are an inherent part of any bottom line.

No one should pretend that taxes do not have a direct bearing on whether a company expands or locates in Indiana or elsewhere, and no one should pretend that taxes are not passed on in some fashion. Businesses, as a matter of reality, face the choice of either increasing the cost of the product or service, or limiting the number of employees or the wages they pay those employees.

The companies that pay Indiana's corporate income tax are primarily large, which also means they employ a lot of Hoosiers. Moreover, that often means a national or international business. As a byproduct, businesses that operate facilities in multiple states and countries have multiple options for where they can expand and invest. We should want them to have as few reasons as possible to choose anywhere other than Indiana.

Let's examine the economic impact of the rate reduction in yet another way.

There is an axiom in macroeconomics that says, "If you want less of something, tax it more and if you want more of something, tax it less." Such is the case with corporate income taxes. If Indiana wants more corporate

investment in our state to generate more corporate activity, more jobs, more facilities, more production and more expansion, then lowering our corporate income tax rate from one of the very highest in the country to the second lowest is an important part of the strategy to grow jobs and expand our economy.

Just look at what's happened to Indiana's corporate income tax revenues in the past two years. They were up 36% in the first fiscal year following the initial corporate tax phase-down legislation in 2011. It is reasonable to expect the revenues to remain strong through the responsibly tempered reductions outlined in Senate Bill 1. So far this fiscal year, the corporate income tax collections are almost 7% above last year on a month-over-month basis; it is the only state revenue source exhibiting this kind of growth.

The author of Senate Bill 1, Sen. Brandt Hershey, the chairman of the Tax and Fiscal Policy Committee, is well aware of all these dynamics. He is trying to keep us on the leading edge and to keep us competitive; he has exhibited a determination that should be commended.

Critics of the corporate tax rate reduction should also seriously consider the key findings of the highly respected Tax Foundation in its 2009 publication "The Corporate Income Tax and Workers' Wages: New Evidence from the 50 States" before delivering judgment.

A couple of significant highlights from that report:

- States with high corporate income taxes have depressed their workers' wages over the long term, while states with low corporate taxes have boosted worker productivity and real wages.

- On average, between 1970 and 2007, a dollar increase in the average state-local corporate tax rate caused a \$2.50 dip in wages five years later, compared with lower-taxed states.

Reducing Indiana's corporate tax rate is not about giving tax breaks to wealthy individuals to spur short-term economic growth; rather this is about the state's overall attractiveness and business environment, and how those factors positively benefit our economy on a continuing basis.

Long-term economic growth revolves around good policy; it's necessary and means something to employers who have to make sound, forward-looking decisions. The latest corporate rate reduction (Senate Bill 1) meets this test and will, over time, serve to promote the prosperity of Indiana and its citizens. ❖

Brinegar is president and CEO of the Indiana Chamber of Commerce.

What's Sen. Hershman inhaling these days?

By **SHAW FRIEDMAN**

LaPORTE – Not quite sure, but I hope somebody checks the water down in Buck Creek to see what it is that State Sen. Brandt Hershman is drinking. Perhaps he's inhaling something. How else to explain his over-the-top gushing about other states supposedly seeking to emulate Indiana when we do things like knocking out another business tax?



Never mind the fact that as we continue eliminating much-needed state revenues (this time \$140 million lost with the corporate income tax reduction) we actually set ourselves behind our neighbors in our ability to offer business what it really wants and craves, a skilled and educated workforce, a quality transportation system and a cheap, dependable source of power.

In what fantasy world does Hershman believe there's any evidence to support his claim after Senate Bill 1 passed that "other states are struggling to catch up with Indiana, many of them are trying emulate our leadership role, and I think through Senate Bill 1 we just put our business environment in overdrive and that's going to create more jobs for Hoosiers."

Only in Republicans' make-believe, trickle-down world does this kind of thing happen. As House Democratic Leader Scott Pelath put so well, "Our leaders are selling soap we've bought before. Cutting corporate taxes again. Cutting bank taxes again. And the free toaster in the deal? Forcing Indiana counties to race each other to slash the business personal property tax." Yet according to the Pew Charitable Trust, Indiana was one of the few states that didn't even take the basic steps of assessing and evaluating its various tax incentives.

Senator, I rise on a point of order. Show me one convincing study that says other states want to emulate our approach of cutting services and slashing quality of life including infrastructure and think that aids our business environment.

As the Indianapolis Star editorialized last Dec. 29, our workforce is ranked 42nd in the country in educational attainment. Think other states want to emulate that? As that Star went on to opine, "What that means for the state and its residents is sobering: Lower incomes, fewer job opportunities, higher poverty rates, lower quality of life, less tax revenue to meet critical needs and weakened ability to adapt to increased competition from other states and nations." That's the real deal, Brandt, not the fantasy world you and your Senate Republican colleagues inhabit.

Think I'm just another Democratic progressive howling at the moon? Let's look at what Indiana Supreme Court Justice Loretta Rush, a Republican appointed by Gov. Pence had to say about our current status compared to other states. The justice, who chairs Indiana's newly formed Commission for Improving the Status of Children, recently delivered several compelling statistics to an attentive audience in Goshen. Cause for great concern, she said, are these: Indiana is fifth highest in the nation for children abusing prescription drugs, the state ranks third in the country for infant mortality, fewer than 3 percent of our abused or neglected kids ever go on to college.

As our publisher, Brian Howe, put so well in his weekly column, "What do we have to show for all of these business tax cuts? There are still 209,000 on the jobless rolls which doesn't include the tens of thousands so discouraged they no longer can be counted."

Counties like mine, Brandt, still are seeing 9 percent unemployment and your trickle down theories of throwing tax breaks at the wealthiest and most profitable multistate and multinational corporations with no strings attached have done nothing to generate new jobs.

Conservatives like Brandt Hershman don't believe we should provide assistance to the poor or unemployed without multiple strings attached, but they have no compunction about showering one tax break or another for big banks or big utilities with no questions asked and think that will magically create jobs.

Worse yet is for these public officials to delude themselves into thinking that Indiana is somehow to be emulated by other states or that some want to learn our "magic formula."

Come on up to LaPorte County from Buck Creek, Senator, and see how your trickle-down magic is playing in the rest of Indiana. ❖

Shaw Friedman is former legal counsel for the Indiana Democratic Party and a longtime HPI columnist.



Pay to play and City Hall

By **CRAIG DUNN**

KOKOMO – I was deeply touched by the sincere outpouring of concern from Indiana’s mayors during the discussion of Senate Bill 1 this past legislative session.

First, cities, towns and local government units were forced to swallow Gov. Daniels’ signature property tax caps constitutional amendment and now the Indiana General Assembly has presented another pro-growth tax proposition that will force local governments to sharpen their pencils when it comes to budget time. I was so touched by the wailing coming from local government that it set me to thinking about an idea that might help make



local government more efficient and transparent when it comes to managing the peoples’ money.

Some days it is difficult to drive down a city street for all of the consultants, contractors, engineers and attorneys clogging up the roadways in their mad dash to beat a path to the halls of governmental power. Neatly tucked in the briefcases of these denizens of the dollar

are the usual plans for nifty new public works projects, economic development schemes, legal loopholes of governmental funding laws and number crunching techniques that prove once again that figures don’t lie but liars can figure. These traffickers of governmental quick fixes and grand designs are generally warmly received in the local governmental halls of power. They are warmly received because usually, in addition to the grand plans they carry in their briefcases, they frequently carry a check made out to the mayor’s, councilman’s or county commissioner’s favorite cause, their reelection campaign.

There is no way to know exactly how much money gets spent needlessly by local government or how much of the spending is influenced by campaign donations but I think the majority of us good old Hoosier voters would sure like to know a lot more about the process that spends hundreds of millions of dollars in every nook and cranny of our great state. For this reason, I would like to propose a piece of legislation for next year’s General Assembly to consider. For sake of clarity and simplicity, let’s call it the “Who spent what, when, where and why?” Act of 2015.

My proposed legislation is simple, but hey, they all start out that way. The proposed legislation would require anyone making a political contribution to the campaign of a municipal or county government candidate to disclose the type of business they are in and whether or not they

currently conduct business within the jurisdiction of the candidate or would like to conduct business within the jurisdiction of the candidate. This is the first step. The second step is that all governmental units would be required to file a report annually that would disclose the amount of governmental money spent with each contributor. Finally, disclosures would have to be made detailing governmental expenditures made three years previous to, or three years after any contribution.

Under the current state of affairs Bob Beanblossom, the engineering firm of Roundabouts R Us regional business development manager, decides in the interest of good government to give \$5,000 to Mayor Gooddrivels reelection campaign’s summer golf outing. Shortly thereafter the good mayor decides to pay Roundabouts R Us \$50,000 to design a roundabout. Yes, that’s \$50,000 to design a circle! Current campaign finance reports may show a \$5,000 contribution from Robert Beanblossom, Winnetka, Ill., but it may show nothing else. Under my proposed legislation, Robert Beanblossom would be shown as an employee of Roundabouts R Us and that his firm either presently does business with or would like to do business with the city government.

Now I’m not under the illusion that this would completely stop “pay to play” or slow down the growth of governmental spending, but it couldn’t hurt and it would make interesting reading for those of us who don’t subscribe to Netflix. It would, in a phrase coined by Supreme Court Justice Louis Brandeis, provide the “Sunlight that is said to be the best of disinfectants.”

Every Tom, Dick and Harry officeholder from councilman to mayor would have to weigh the appearance of large contributions from vendors against their pecuniary benefit. “Let me see, with this extra \$5,000 I can run 50 additional radio spots denouncing my opponent as a profligate spender of the public treasure” versus “Gee, I’m going to get beat up next election for taking so much special interest money and then spending public money with my contributors as a quid pro quo.” Call me a cynic but I think a few less dollars will be spent over the long haul.

This bill would dovetail nicely with my “Joe Sixpack Legislative Impact Statement” legislation that I suggested last year and, much to my immense surprise, failed to make it to the floor of the legislature. Perhaps Sen. Glockenspiel could package the two pieces of legislation into one omnibus reform bill that could then die in committee.

To those local government officials who will sanctimoniously cry out that they would never allow campaign contributions to influence governmental spending decisions, then it should not bother you in the least to lift up your fiscal skirt and give the public a good look. My guess is that those who will squeal the loudest, may be the worst offenders. Let’s pass this reform legislation and see if it helps. ❖

Dunn is chairman of the Howard County Republicans.

We have a right to dumb down the kids

By JACK COLWELL

SOUTH BEND – We have a right to dumb down our kids. And the Indiana General Assembly has exercised that right.

Remember how everybody was concerned about American kids doing so poorly on test scores in comparison with students in other countries? Like 26th in math, behind nations such as China, Russia and Slovakia. American high school students had test results falling behind global averages in science and reading.



Remember the consternation in Indiana about high school drop-out rates and the low percentage of Hoosier students going on to college? Remember the complaints from employers that Indiana schools weren't turning out young people ready to compete in the global economy, or ready for any of their job openings?

Well, governors from 48 states and their state education officials decided to do something about it. They knew low education standards, low expectations, were a key part of the problem. Their efforts resulted in 2009 in launching something called Common Core State Standards, more rigorous standards for all the states accepting the challenge.

Forty-five states and the District of Columbia took the challenge and adopted the Common Core standards. Indiana adopted Common Core in 2010 at the urging of then-Gov. Mitch Daniels and former state school superintendent Tony Bennett, Republicans leading a charge for education reform. Skepticism was found more in ranks of teachers and Democrats concerned about the testing, not among Republicans.

But then President

Obama proclaimed support for the effort to improve education and urged all the states to adopt the challenging Common Core standards. Thus Common Core, the approach for which the Republicans at the state level were champions, suddenly came under attack as a federal takeover of education, described on the blogs of right-wing conspiracy theorists as an Obama plot to indoctrinate American kids

with foreign philosophies.

Here's one example:

"Common Core is evil personified. Unabashedly indoctrinating budding jihadists into the glories of Islam . . . Proof that Obama is the new Hitler." And to think that Mitch Daniels, that secret jihadist, was helping to perpetuate this evil plot.

Rumors were spread that all third graders would have to read a book proclaiming Obama as a Messiah.

Opposition grew, not just among crazies, but among others who began to fear loss of state control over education through adoption of those standards that the states created. Since Obama supported the standards, Tea Party groups, others who despise the president, and politicians who fear association with anything he supports turned against Common Core.

The Indiana General Assembly now has voted with overwhelming support in House and Senate to junk Common Core, making Indiana the first of the 45 participating states to withdraw from the challenge to brighten up rather than dumb down the kids.

The withdrawal legislation directs the state board of education to approve new standards to "maintain Indiana sovereignty." That board is best known for political battles with the state school superintendent.

The new standards are supposed to be high. But with all the politics now involved, will the standards be aimed at the needs of kids or the needs of politicians to claim they saved the state from "un-Hoosier" indoctrination?

Politicians already are complaining that new standards being drafted are too much like Common Core goals. Science? Better make sure kids don't learn about global warming. Reading? Don't allow anything deemed to threaten Indiana sovereignty. Math? Teach it in a way so test scores will add up in the traditional way, a sovereign right.

What will be approved? Anything that bad?

Maybe. Maybe not quite so bad. The new approach will be described of course as providing high standards. There are different ways to measure, however, and withdrawing from the challenge of Common Core standards does indeed protect the sovereign right to dumb down kids if we want to.

But, hey, the legislators did something about schools. They approved letting folks have guns in their cars in school parking lots.



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

As grim as Congress is, there's a fix

By **LEE HAMILTON**

BLOOMINGTON – As grim as things seem now, there is a fix for what ails Congress.

These are hard times for Congress. Its approval ratings have seen a bump from their historic lows of a few months ago, but it's a small one. Our representative democracy's keystone political institution is widely derided as ineffective, unproductive, irrelevant, and sadly out of touch.

It is no coincidence that this comes while Congress has developed a taste for so-called "unorthodox law-making," wandering far outside its traditional procedures.

That's why I would argue that as grim as things seem now, there is a fix for what ails Congress.

Broadly speaking, it involves congressional process. Let me quote John Dingell, the canny U.S. House member from Michigan who recently announced his retirement. "I'll let you write the substance," he once told a House Judiciary subcommittee, "...you let me write the procedure, and I'll screw you every time." In legislative bodies, whoever controls



the process controls the result. If it wants to restore itself, Congress must make its processes exemplary and fair.

Members should begin by opening the floor to more amendments. At the moment amendments are tightly limited, if not banned outright, in an effort by the leadership to control the outcome. This restricts debate, impedes the free flow of ideas, and strengthens leaders while disempowering ordinary members.

The leadership also needs to give up its concentrated power and hand more authority to congressional committees. However worthy congressional leaders may be, they cannot do the job that the committee system was designed for: Holding hearings, inquiring deeply into issues, eliciting facts, laying out options, arguing over amendments, finding the common ground needed to advance legislation.

The simple truth is that members of Congress are there primarily to legislate, not to raise money or score political points on television. Yet Congress seems to devote less and less time to crafting and passing legislation; it is losing the habit and the skills, and its work product suffers. It needs to work harder at the job Americans expect.

To make this possible, the Senate should do more of its business by simple majority vote of the senators present and voting. I know that many senators like the ability to filibuster, and do not want to abandon the

rule that requires 60 votes to close debate. But here's the thing: The super-majority rule, as it has been applied recently, has become a formula for impotence and disorder. Every democratic institution in this country operates by majority rule except the Senate, where a small minority can completely gum up the works.

It's important for the majority to assure fair procedures that take minority views fully into account, but at the end of the day Congress needs to work, not be hamstrung by loyalty to a Senate rule that has outlived its purpose.

Which is not to say that tradition has no place on Capitol Hill. Many of the procedures it developed over long years of practice were designed to improve its functioning, especially in designing and enacting the federal budget. That process is completely broken now. Congress needs to focus its attention on returning to the traditional budget process of considering separate appropriations bills, as opposed to lumping the entire budget into a single bill.

Other key processes also need mending. The confirmation of presidential appointees is absurdly slow, seriously jeopardizing a president's ability to govern. Some 50 ambassadorial nominees await votes in the Senate, some of them having cooled their heels for months, and foreign governments are noticing and taking offense. The congressional ethics committees are dormant. Travel privileges are routinely abused; the government should pay for legitimate congressional travel and no trips should be paid for by special interest groups. The crucially important oversight process has become a political sideshow. Campaign expenditures should be limited and donors should be disclosed.

The point of all this is that Congress is listless, but it can right itself. It may not be able to tackle all of these proposed fixes at once, but each is within its power. Members should quit throwing up their hands and protesting that they can't do anything about their own institution's problems. It's their job to put Congress back in working order and they have the power to do it. ❖

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

Matt Tully, Indianapolis Star: Conflicts of interest are as common at the Statehouse as partisan spats. They're part of the legislature's DNA. This is both wrong and troublesome. But it has been tolerated time and again by lawmakers who generally act as if those who raise questions about the conflicts are misguided. So let's get back to Rep. Turner. His behavior, as reported by colleagues, is a full-scale betrayal of the public's trust. According to numerous reports, he fought behind closed doors this past session to kill a bill to set a moratorium on new nursing homes. His son's company opposed the bill, as it hopes to build a series of new nursing homes in coming years. Turner clearly knew he should stay out of this debate because of his personal interest in it. After all, he recused himself from a public floor vote. But several of his fellow Republican lawmakers have told reporters that behind closed doors Turner lobbied his colleagues to kill the bill. It's offensive. It's unfair to taxpayers. It's part of a pattern that has marred Turner's political career. And he should be removed from office because of it. Speaking of the Ethics Committee, let's look at what its chairman, Rep. Greg Steuerwald, R-Avon, told The Star. In a mind-boggling statement, Steuerwald said he was worried about looking into Turner's actions because they occurred during a party caucus meeting. "Those are private confidential meetings and are intended to be private confidential meetings," he said. As long as a misdeed or violation of the public trust happens behind closed doors, it's OK? Excuse me, but don't most examples of government corruption occur in private confidential meetings? ❖



Abdul Hakim-Shabazz, IndyPolitics: What makes the Rep. Eric Turner situation so interesting is that all these discussions reportedly took place in caucus. And the old rule is what happens in caucus, stays in caucus. The point is that in caucus everyone can speak freely without worrying about their words showing up in my political gossip column. So if there's an ethics hearing, the big issue will be how do lawmakers investigate the issue without breaking that number one caucus rule; made all the more difficult by the fact the ethics committee hearing will be public. I don't envy committee chairman Greg Steuerwald of Avon. Not only does he have to figure out how to make all this work procedurally, but there's also an issue of who does he call as a witness? Because, guess what, if you were a member who was in the House Republican caucus at the time, you're potentially a witness. And that could include not only Steuerwald, but Rep. Kathy Richardson and Rep. Eric Koch, who are also on the committee. And while we're at it, what about the Democrats are on the Committee? How much of the GOP's private discussions and dirty laundry would they like to see made public? Not that anyone would use the process to play politics, but let's face it, this is politics. So what should you take away

from all this? This simple fact, this is going to be complicated and not as cut and dry as anyone thinks. ❖

Dave Bangert, Lafayette Journal & Courier: During a down moment last week, on a campus that was spring break quiet, Purdue University President Mitch Daniels guided a casual conversation toward how things were across the Wabash River. Specifically, Daniels, 14 months into the job in West Lafayette, was curious about Lafayette's general feeling about Purdue and its place in the community. Told about the question Wednesday, Lafayette Mayor Tony Roswarski took a stab at the town-gown issue — though he said there was no easy answer. "That kind of depends on who you ask," he said. There are Purdue employees and those who cater to Purdue employees, all with deep ties. There are sports fans and those who appreciate the cultural aspects offered by a major university next door. Then there are those who can't think of a reason to cross the Wabash River, who remain fairly agnostic to the sea of red brick in West Lafayette, where the students never seem to age. "But on a day like this ..." Roswarski started, standing in a Purdue Airport hangar, in the shadow of a massive LEAP engine that GE Aviation said it plans to build in a new Lafayette plant. "On a day like this," Roswarski continued, "I'd say people are feeling pretty good about Purdue." Roswarski has worked as hard as any mayor in Lafayette history to bring jobs to the city. The GE Aviation announcement Wednesday — the anticipation of 200 jobs, paying an average of \$36 an hour, in a \$100 million plant near U.S. 52 and Veterans Memorial Parkway — is more proof of that. ❖

Morton Marcus, Howey Politics Indiana: Who should be in charge? Governments or private entities? If government, should it be the feds, the states, or the locals? What level of government, if any, should control transportation, education, health care, libraries, and almost anything else you can imagine? Hoosiers and all Americans have problems answering these questions. Economists often say that where the actions of one entity result in significant effects on others (externalities), control should go to a larger unit. What happens in one library district probably has little impact on the neighboring district. Libraries are considered purely local and not all Indiana communities have libraries. Some people, however, believe there are lower costs of service in larger systems (economies of scale) and urge the adoption of county-wide or regional library districts. Transportation involves many consequences for land owners, businesses and households. That's why major decisions about transportation are national (interstate highways) with minor adjustments by states and localities. Bridges across the Ohio River at Louisville and Evansville involve national as well as local traffic flows. ❖

Pence signs mass transit

INDIANAPOLIS - Gov. Mike Pence signed the mass transit bill on Wednesday. Pence said he signed the bill to give Hoosiers the chance to decide on the future of mass transit in the greater Indianapolis area. He released the following statement Wednesday afternoon: "Our capital city is a world class destination and needs a world class transit system. While I still have reservations about the sustainability of expanded mass transit services, I signed this bill because the General Assembly made significant improvements during the legislative process, bringing to closure years of debate on this issue. The final version contains no new, local corporate tax, which would have reduced our state's overall competitiveness, and it contains no light rail, which would have greatly increased the cost to taxpayers in the long term. I am a firm believer in local control and the collective wisdom of the people of Indiana. Decisions on economic development and quality of life are best made at the local level. Whether local business tax reform or mass transit, I trust local leaders and residents to make the right decisions for their communities." Indianapolis Mayor Greg Ballard said, "This marks a significant step forward for the growth of Indy and the rest of Central Indiana. I want to thank Governor Pence and members of the General Assembly who have worked on this issue over the course of the last few years. Today is a day for Indy to celebrate but not the day to declare victory. There is still much work to be done."



Pence allows guns at schools

INDIANAPOLIS — Gov. Mike

Pence on Wednesday signed a bill allowing adults to keep guns locked in their vehicles in school parking lots. The bill had been opposed by school organizations but backed by the National Rifle Association. In Congress, Pence recorded a history of supporting gun-rights issues and the Second Amendment. The measure doesn't allow guns in school buildings or school buses, lawmakers said. But it would allow teachers, parents, and schools visitors to have guns concealed and locked in their cars in school parking lots. Student gun club members also could have guns in their cars with permission from principals. "Governor Pence believes in the right to keep and bear arms," spokeswoman Kara Brooks wrote in an email, "and that this is a common sense reform of the law that accomplishes the goal of keeping parents and law-abiding citizens from being charged with a felony when they pick their kids up at school or go to cheer on the local basketball team." Some school groups questioned the decision. "There's been so much concern about school security and school safety, so why would we do something that has the potential of easily jeopardizing that with readily accessible guns in cars on school property?" asked JT Coopman, executive director of the Indiana Association of Public School Superintendents.

Pence to sign Pre-k bill today

INDIANAPOLIS — With Thursday as the deadline for Gov. Mike Pence to sign or veto legislation on his desk, a number of measures, including new regulations for motorized scooters, continue to await his signature. Pence is scheduled to sign two major pieces of legislation that would establish the first state funding for prekindergarten and send as much as \$400 million to major highway projects on Thursday.

Turner says he broke no rules

INDIANAPOLIS - State Rep. Eric Turner, the second-highest ranking lawmaker in the Indiana House, said Wednesday he broke no ethics rules when he secretly worked to kill legislation that would have harmed his family's business (Indianapolis Star). In his first public statement on the controversy, Turner did not discuss the private caucus meetings in which he successfully urged fellow lawmakers to strip a measure that would have temporarily halted new nursing home construction. Instead, he emphasizes that he abstained from any public votes on the issue. "My actions and statements on the nursing home moratorium issue during this last session were squarely within House rules and the House Code of Ethics," Turner, R-Cicero, said in his statement. "I look forward to fully cooperating with the House Ethics Committee, and I firmly believe once all the facts are presented, it will be determined that I acted well within the House Rules and the House Code of Ethics." Turner's role in killing the moratorium upset some of his fellow House Republicans because they felt he had a conflict of interest. The Turner family owns Mainstreet Property Group, which specializes in developing senior care facilities.

BP recovers most of spilled oil

WHITING - After the second day of cleanup, crews have removed the "vast majority" of surface oil floating in a Lake Michigan cove after BP Whiting Refinery discharged as much as 756 gallons of crude into the Great Lake. BP estimates that between 9 and 18 barrels were released after a mechanical glitch expelled cooling water mixed with unprocessed crude oil through an outflow pipe Monday afternoon, according to a U.S. Coast Guard news release.