



Is Indiana's middle class dying?

Status of Working Families report paints grim picture, but GOP sees higher wages on horizon

By **BRIAN A. HOWEY**

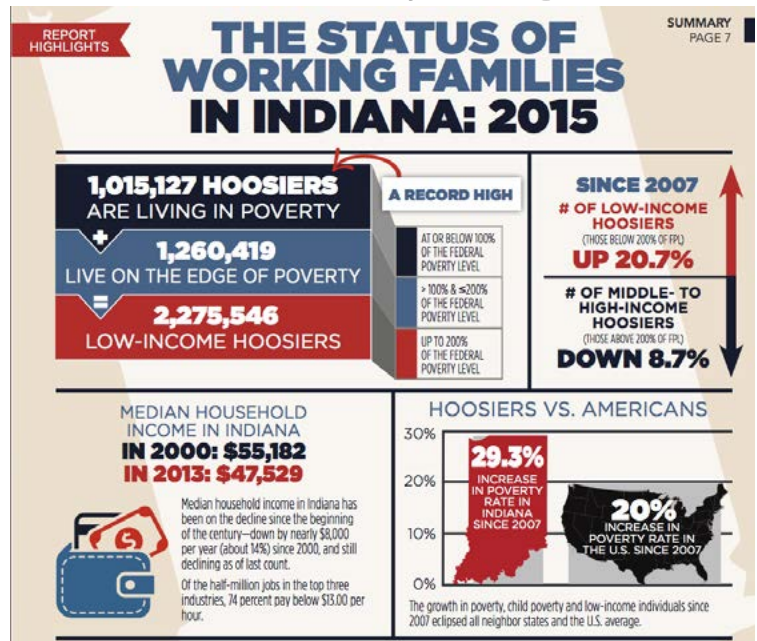
INDIANAPOLIS – Is the Indiana middle class dying? That was the headline of a recent Wall Street 24/7 story. And that is the conclusion of the 2015 Status of Working Families Report compiled by the Indiana Institute for Working Families.



While Indiana's jobless rate has fallen to 5.9%, and Gov. Mike Pence touted "100,000 private sector jobs in the past two years, and we are on

track to have more Hoosiers working than ever before" during his State of the State address last month, the data compiled by IIWF paints a distressing picture of what was once the most dynamic and stable part of the population.

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Pence reported to the state, "Graduation rates are up. Test scores are up, the doors of our pre-K program are already open to disadvantaged kids, and Indiana now is home

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When senator bites dog

By **CRAIG DUNN**

KOKOMO – There's an axiom that when dog bites man, it's not news, but when man bites dog, it's news. Howard County Republicans witnessed just such a phenomenon late last month when Indiana Senate Majority Floor Leader Jim Merritt addressed their annual Century Club breakfast.



Now, frankly, most political speeches tend to go "yada, yada, yada, been there, done that, got the bumper sticker." However Sen. Merritt offered more than the political humdrum.

Sen. Merritt, who was first elected to the Indiana State Senate in 1990, covered the es-



"I have a lot of sympathy for communities that are disproportionately affected by meth. But I'm not convinced it's the right solution."

- Chairman Ed Clere, on why he won't hear anti-meth, cold med prescription bills



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sential pillars of the Republican Party by emphasizing our core values of fiscal responsibility, improvements in education and economic development. Those items are just about givens for any Republican speaker worth their salt. It was the remainder of Sen. Merritt's speech that surprised and pleased his audience.

Perhaps it shouldn't have come as a huge surprise to anyone familiar with Merritt's career that he has been passionate about young people. He spends much of his spare time working with young people to reduce driving while texting and promoting Indiana's Lifeline Law in an attempt to reduce the needless loss of lives among teenagers and college students. Merritt has also devoted himself to tirelessly working to save unwanted newborn babies by expanding awareness of Indiana's Safe Haven Law that protects a new mother from legal consequences if she takes her newborn to a hospital or gives it to a public safety worker. Many babies who might have been abandoned to die in a dumpster or along the road now live because of the legislation championed by Sen. Merritt.

The man bites dog moment arrived when the senator stated that despite all of our tremendous economic success here in Indiana, troubles that could help wreck our economic progress are beginning to bubble to the surface. Merritt stated that these issues must be addressed if we are to sustain our status as the economic envy of the Midwest.

Sen. Merritt identified hunger as the first issue needing significant attention. You could see heads in the audience nodding in agreement as Merritt related that hungry people do much better during the weeks of the Thanksgiving and Christmas seasons than they do during the other 46 weeks of the year. He called on Republicans to support programs that

will reduce hunger among our children.

The second challenge facing us is the explosion of mental illness and depression in our population. This unseen and silent crisis is not being dealt with effectively and needs all of our attention. Merritt called on the creation of a "depression center" to specifically treat this growing and deadly illness. He also advocated a campaign called "I need help," to destigmatize mental health issues. This program would encourage people suffering from mental health issues to seek help and support.

Sen. Merritt related a story about speaking at a high school about



the subject and asking the students to close their eyes and raise their hand if they knew anyone who had contemplated suicide. In a shocking response, two thirds of his high school audience raised a hand. Either they all knew the same suicidal person or we've got a big problem on our hands.

The senator lastly outlined substance abuse as presenting another problem that must be addressed. One might be tempted to say, "Duh, hasn't this been a big problem for a long time?" It has been and we have devoted countless millions to arresting, prosecuting and incarcerating drug offenders and dealers for decades. However, there appears to be no winnable victory in dealing with the

supply side of the issue. Sen. Merritt advocated programs to stem the demand side of the drug equation was desperately needed.

When Mitch Daniels inherited the reins of government in 2005 after 16 years of disastrous Democratic fiscal management there wasn't a lot of time, energy and money to deal with anything other than righting Indiana's listing ship of state. Gov. Daniels and Gov. Mike Pence did excellent jobs of reversing the economic decline of our state and making appropriate changes to fiscal management, economic development, education and tax policy to help successfully carry us into the future. As an avid spec-

tator in the theater of government, my view has been, "I loved the first two acts, what's the third act going to be?"

It was refreshing and surprising to know that State Sen. Jim Merritt has recognized the significant challenges that are bubbling up in our great Indiana success story and is not afraid to begin a much-needed dialogue on how to deal with the issues. As most people know, the best time to deal with a problem is before it gets out of hand.

Dunn is chairman of the Howard County Republican Party.

Middle class, from page 1

to the largest educational voucher program in America. Tonight, there are 49 other governors across this country who wish they could be me!"

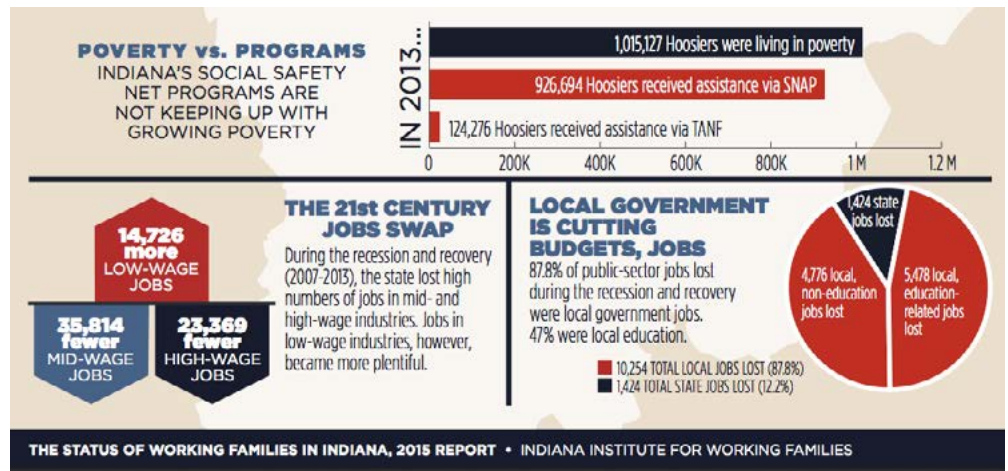
The biennial Working Families Report paints a different picture. "Despite an improving unemployment rate, the number of impoverished and low-income Hoosiers is still on the rise, median household income is still declining and income inequality in Indiana is growing," the IIWF report began. "Whether these economic measures are examined from the beginning of the recession, the start of the official recovery or from the beginning of the century, Hoosier families have steadily lost ground, too often at clips greater than the nation and even our neighbors. The data make it clear that Hoosier families are not the fiscal envy of the nation."

The problem is within and beyond Indiana. Former Florida Gov. Jeb Bush, speaking to the Detroit Economic Club on Wednesday, said, "The recovery has been everywhere but in the family paychecks. The American dream has become a mirage for far too many. If Americans are working harder than ever earning less than they once did, our government and our leaders should step up, offer a plan, fix what's wrong — or they should step aside."

Brookings Institution researcher Gary Burtless told the Indianapolis Business Journal last August that while Indiana wages are about 13% below the national average, those wages are only about 4% below average after accounting for cost of living. The \$39,553 in adjusted Hoosier income in 2012 was up 2.3% from the prior year. Considering that the state was 36th in growth just two years earlier, the improvement to second is a big turnaround. It prompted Purdue University President Mitch Daniels, who

campaigning for governor in 2003-04 on the top priority of raising personal income, to say, "After decades of relative decline, it will take many years of gains like this to make Indiana the place of promise and prosperity we seek to be. But there's no denying the good news this represents. The patient building of the nation's most pro-growth environment is paying off, and if we continue to pursue sound, pro-jobs policies, there is every reason to expect more banner years like 2012."

"Regaining the lost ground took longer than it should," Timothy Slaper, research director of the Indiana



Business Research Center, told the IndyStar last November. "Initial employment gains weren't brilliant; but by 2013, Indiana gained some 52,000 jobs in one year. Indiana hit that 52,000 mark by September of this year and is set to exceed our forecast for the year, with employment in the construction of buildings and transportation equipment manufacturing increasing by double digits."

Two years earlier, Slaper portrayed what he called a "grim" picture. "There has been a lot of hand-wringing about Indiana's per-capita personal income not only lagging the nation, but that the gap between the two continues to widen." The statistics, Slaper said, "tells the grim tale. Except for a brief recent uptick in 2009 and 2010 that resulted in the recovery in manufacturing outpacing the-

covery in other sectors of the national economy – and the upticks following the recessions in 1991 and 2002 can also be explained this way – the overall trend is disheartening. While holding its own compared to the nation as a whole through the 1950s and 1960s, Indiana started losing ground in the 1970s. But it was the 1980s, when manufacturing was being hollowed out with nothing to replace it, when the slide accelerated.”

Figure 1: History of the Gap Between Indiana's PCPI Compared to the Nation, 1950 to 2011



Source: IBRC, usip

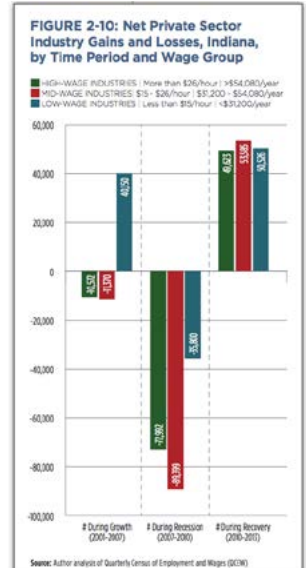
And Kyle Anderson, clinical assistant professor of business economics in the Kelley School of Business at Indianapolis told the Star, “Wages have not grown as fast as employment, with average weekly wages increasing only 1.4% in the past year. However, with unemployment falling and hiring picking up, look for wage pressure to increase in 2015. For the first time in years, employees will have more leverage and employers will need to give wage increases to keep valuable employees.”

Multiple data sets tell a darker story for middle and lower class Hoosiers leading into 2015.

The IIWF report continues, “This disproportionate decline is largely explained by the loss of good-paying manufacturing jobs. Growth in low-wage jobs far and away outnumbered growth in middle- and high-wage jobs since the Great Recession started, assisting in exacerbating the loss of an enormous amount of good-paying jobs that took place during the first part of the century. This job swap, measured from 2000 to 2013, not only resulted in a deterioration of family-sustaining wages, but benefits, job quality, consistency and certainty were also lost in this exchange. Work is the key to economic self-sufficiency, but simply having a job is not enough; Hoosier families and communities need quality jobs that pay well enough to meet a family’s most basic needs, such as childcare, housing, food and transportation.”

The IIWF, a program of the Indiana Community Action Association, is a statewide not-for-profit membership corporation with 23 groups operating in 92 counties and funded by utilities, housing and other coalitions, is not alone in its assessment.

Last month, 24/7 Wall Street website called Indiana one of the top 10 states “where the middle class is dying.” The data set included: Middle income growth 2009-2013: -4.4%; fifth quintile income growth 2009-2013: 2.6%; fifth quintile share of income: 49.0%; and middle-class household income: \$47,680 (17th lowest).



Its analysis: “Middle class

households in Indiana had an average income of \$47,680 in 2013, down 4.4% from 2009. As in most of the nation, even as the income of middle class households declined, the income among Indiana’s highest earners grew. Yet, just 2.6% of households earned more than \$200,000 in 2013, roughly half the comparable national figure. While wealthy Indiana residents had among the lower incomes compared to their nationwide peers, average incomes in the highest quintile grew by more than 2.5% between 2009 and 2013, one of the faster growth rates. As a result, the state’s measure of income inequality, worsened at a faster pace than in most states over that time, moving to the fourth highest nationwide in 2013.”

Ball State University economist Michael Hicks told Gannett News Service last year, “We’re still the most manufacturing intensive state. But as we lost manufacturing jobs, they were not replaced by professional services, health care and other high-paying jobs.”

Indiana legislative Democrats begged to differ with Gov. Pence’s State of the State assessment. Senate Minority Leader Tim Lanane, noting candidate Mitch Daniels’ state personal income goal in 2004, reacted, saying, “Here we are 10 years later and I didn’t hear anything in that speech to really address how we are going to raise the real incomes in the state of the Indiana. This is a State of the State that had nothing to do with Indiana. All the governor did tonight was throw out cutlets of red meat to the Iowa Republican Caucus voters.”

In March 2014 as the short session of the General Assembly was ending, House Minority Leader Scott Pelath, D-Michigan City, told reporters, “The great missing piece of the economic puzzle is that Indiana hasn’t been willing to invest in its middle class and it’s more evident than ever that the policy of just rewarding those who have already had success just isn’t working.”

State Sen. Brandt Hershman took a “consider the source” view of the IIFW study. “Everybody’s got a right to an opinion. The hallway is full of special interest groups

that manipulates the data,” Hershman told HPI on Wednesday, calling the IIWF “a liberal proxy group heavily funded by labor. I’m just suggesting there has been a portrayal of the data in that light.”

The Working Families Status Report emphasizes several points:

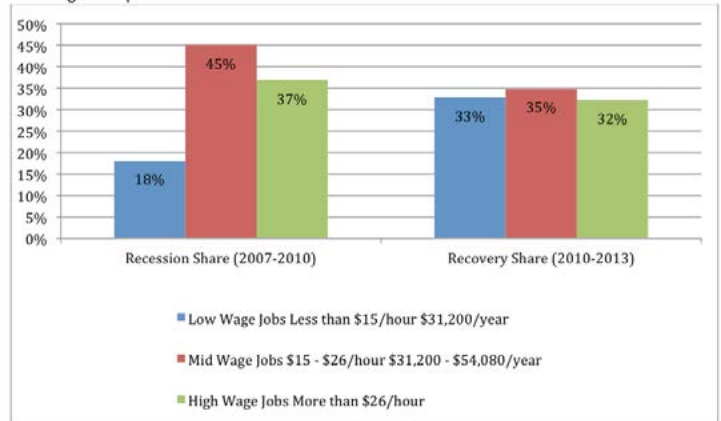
Poverty continues to rise

More than six years after the beginning of the Great Recession, and five years of recovery, poverty in Indiana is still on the rise. While the total number of impoverished Hoosiers dropped in 2012, the respite was short-lived and there are now a record-breaking 1,015,127 Hoosiers in poverty. At 15.9, Indiana’s poverty rate is slightly above the national average, but below all neighbor states, except Illinois (14.7%). Since 2007, poverty increased by more than 29% in Indiana; that’s the 11th largest increase in the nation, more than all neighbors and more than the national average increase of 20%. Poverty rates for Hoosier families increased from 11.3 to 11.9%. The current poverty rate for Hoosier children (22.9%) is equal to the national average, and below all neighbor states, excluding Illinois (20.7%). Since 2000, Indiana saw the 10th largest increase in child poverty in the nation.

Indiana’s 21st Century job swap

Indiana hit a recovery milestone when it reached its prerecession employment numbers in July 2014. As of October 2014, there were 10,600 more jobs than there were at the beginning of the recession. In fact, total non-farm employment is the highest it has been since September 2000. When the recession began in December 2007, Indiana had 2,993,100 million jobs. By July 2009, the peak of job loss, Indiana had 231,200 fewer jobs than it did before the recession began. However, when accounting for the 5.4% growth in population in the 82 months since the recession began, when the state should have been adding jobs to accommodate new individuals entering the labor force, Indiana has a “jobs deficit” of 152,000. To regain its prerecession unemployment rate of 4.6%, Indiana needs 6,000 new jobs each month over the next three years. Over the past year, the monthly average was 5,500 new jobs each month. Plainly illustrating this shifting arrangement is the fact that manufacturing is down 150,000 jobs since the year 2000, while total non-farm employment is down by just 5,600. During the recession, state and local government employment declined by 0.3% and 0.9%, respectively. Both saw the largest losses in public administration, including “executive, legislative and general government” in local government and “justice, public order, and safety activities” and “administration of economic programs” in state government. Ultimately, the largest losses to both state and local government occurred during the recovery, as the state and local governments dealt with budget deficits by shedding public sector jobs. “While such decisions might lead to balanced budgets in the short term, they can be incredibly

Figure 2 – 11: Share of Total Private Sector Job Gains & Losses, Indiana, by Time Period and Wage Group



short-sighted, leading to lower future growth,” the report said. Median household income has been on the decline since the beginning of the century, down by nearly \$8,000 since 2000, and still declining as of last count.

Indiana’s regressive tax system

According to the Institute for Taxation and Economic Policy’s (ITEP) Tax Inequality Index, Indiana has the 10th most unfair state and local tax system in the country, with the eighth highest taxes on the poor, the IIWF report said. Combining all of the state and local income, property, sales and excise taxes, the average overall effective tax rates for Hoosiers, by income group are: 12% for the bottom 20%; 10.8% for the middle 20%, and; 4.9% for the top 1%. The phrase “soaking the poor” is used to illustrate the diminishing returns of tax systems that collect a greater share of tax revenue from those without anything to give, as the wealthy few have gotten wealthier, and taxed comparatively less, ultimately exacerbating income inequality. At 7%, Indiana has the second highest sales tax in the nation, but falls to the middle of the pack when accounting for local sales’ tax burden. Despite excluding groceries, this tax is the most regressive in the state with the bottom 20% paying more than seven times, and the middle 20% of Hoosiers paying more than four times, that of the top 1%.

Working families tax cut package

The IIWF report says that lawmakers could adopt just a few to take the first steps toward a more fair tax system. For example, they can accomplish this by increasing the personal exemption to \$2,000 (with a progressive feature that phases out the increase for high-income earners), conforming the state Earned Income Tax Credit to the federal EITC, and increasing the EITC to 25% of the federal EITC. Unlike last year’s top-heavy tax cut, the distribution of this relief would benefit those who need it the most, low- to middle-income taxpayers.

Hershman reacts

Asked what part of the report he disputes, Sen. Hershman said, “No. 1 is the employment level. Indiana

has done a stellar job in a very long-term economic downturn. Just last November we had the highest month in job growth. We are third best in unemployment decline in the U.S. Income growth since the bottom of the recession has been the fifth best in the U.S."

The other four states, North Carolina, Oklahoma, Texas and Wyoming, are all oil states, Hershman said. The Senate Tax and Fiscal Policy Chairman added, "Not taken into account is the cost of living here."

Hershman acknowledged that "more Hoosiers are in poverty than ever before," adding, "that may be true, but it's that way across the U.S. so that suggests a national problem. We just went through the deepest recession since the Great Depression. The decline in household income almost exactly matches the U.S. decline within a hundredth of a percent."

Republican legislative leaders, including House Speaker Brian Bosma, have acknowledged the lower per-capita income, but say that it is set off by a lower cost of living in Indiana. Bosma declined to comment on the report.

The Missouri Economic Research and Information Center lists Indiana as the fifth cheapest state to live in, citing a cost of living index with percentage of national averages: 5. Indiana Cost of Living Index: 90.7; Grocery Index: 92.5; Housing Index: 79.6; Transportation Index: 98.9; Utilities Index: 93.4; Health Index: 95.7; and Misc: 94.1. Zillow reports median home values in Indiana at around \$110,000, which is only around two-thirds of the national median home value. List prices are closer to the \$140,000 price point and property taxes are right in the mid range, with a median rate of 0.85%. You can rent a home in the Hoosier state for the median price of \$825.

Working families solutions

The IIWF report offers an array of solutions, many of which collide with the prevailing Republican penchant for low taxes, fewer tax loopholes and small government favored by most if not all Republicans in the House and Senate super majorities, as well as Gov. Pence.

"Public policy decisions can help to restore prosperity," the IIWF report states. "This can be accomplished by repurposing a state-designed social safety net that has left too many Hoosiers behind by hampering participation, denying support altogether or leaving benefit levels to erode with inflation. They can also reverse deteriorating job quality, stagnating wages and job inconsistency by strengthening or implementing a number of workplace policies. Likewise, state tax policy can be constructed based on the principle of fairness."

On Taxes, IIWF states, "Regressive tax policy that requires low- to middle-income families to pay a larger share of their income than wealthy Hoosiers shifts the responsibility of funding government services toward those with little to give, diminishing pocketbooks and a quality of life."

"If policymakers are to stop the full decade and a

half of losses for lower- and middle-income families in its tracks, our state will need to prioritize a toolbox of policies that have a measurably positive impact for working Hoosier families," the report concludes in its executive summary. "This toolbox should: Reward hard-working Hoosiers by ensuring they share in economic growth; strengthen work support programs for our most vulnerable citizens and ultimately; equip all Hoosiers with the opportunity to obtain the skills necessary in order to attract high-paying, quality jobs that are necessary for a family's economic self-sufficiency."

Pence administration, Gregg reaction

Christy Denault, Gov. Pence's communications director, told HPI that the executive staff has "reviewed this report, and of the five policy options it proposes, Gov. Pence has already proposed two of them. Last session he proposed increasing the personal exemption for income tax. And this session, he has proposed to recouple EITC in HB 1349. In addition, he cut everyone's taxes with a 5% reduction in the personal income tax rate in his very first session."

Denault continued, "Gov. Pence has aggressively pursued policies to create a stable business environment and invested in improving in the Hoosier workforce. His tax cuts have encouraged business growth and job creation, and unemployment is down to 5.9%, even though Indiana has one of the fast growing labor forces in the country. Last year the Indiana Economic Development Corporation ended the year with an expected hourly wage of \$21.75, above the state's current hourly wage of \$20.17. At the same time, the administration is providing students with new options through career and technical education, giving adults an opportunity to complete a high school degree through adult high schools, and programs to make college more affordable and encourage degree completion. All of these things help Hoosiers improve their wages, as educational improvement is key to earning more."

Democratic 2012 gubernatorial nominee John Gregg told HPI on Wednesday, "Sadly, what this report is telling me is what I learned all too well traveling the state in 2011 and 2012. The only area Indiana has gotten net gains in jobs are below the poverty line. These folks can't make a living wage.

"My argument with the administration is they're tracking low level paying jobs and we need to be talking about high level jobs," Gregg continued. "When they talk about a \$13 an hour job, you multiply that by 40 and that's \$25,000 a year. That's not enough. The truth is, people in Indiana are hurting."

Epilogue

Essentially, what we're seeing here are the outlines of the 2016 gubernatorial campaign. ❖

IU Policy Institute reviving ‘Thriving’ initiative for Indiana’s bicentennial, election

By **BRIAN A. HOWEY**

INDIANAPOLIS – As Indiana prepares for what will be a two-year retrospective heading into its 2016 bicentennial, “The Thriving Communities/Thriving State” initiative has begun to help chart a course into the future.

“In Indiana, we already have a brand,” Prof. James Madison told the kickoff event sponsored by the Indiana University Public Policy Institute on Jan. 23. “Hoosiers is an asset.”

The initiative is headed by former Chief Justice Randy Shepard and former Lt. Gov. Kathy Davis. Mark Lawrence, director

of the institute, observed that a Chinese proverb aptly fit the task at hand: “The best time to plant a tree was 20 years ago. The second best time is now.”

The initiative follows the path of a similar effort in 2010-2012 that provided policy research on education and workforce development, energy and state and local

tax policy, culminating with Shepard conducting a discussion with gubernatorial candidates Mike Pence, John Gregg and Rupert Boneham. Lawrence said there will be a similar goal heading into the 2016 campaign as well as the state’s bicentennial. But the policy research will be presented far beyond the gubernatorial nominees, extending to members of the Indiana General Assembly and local officials. “There is so much we need to do,” said Lawrence.

Shepard said the bicentennial process should “be the time we talk to each other about where we’ve been and where we’re going.”

Over the next six weeks, Thriving Communities/Thriving State will host public input sessions in Gary today at IU Northwest, Feb. 10 in Evansville at University of Southern Indiana, Feb. 17 at the Indianapolis Urban League, Feb. 26 at the Irwin Conference Center in Colum-



Former Lt. Gov. Kathy Davis, former Chief Justice Randy Shepard and IU Public Policy Institute Director Mark Lawrence listen to I.U. Prof. James Madison talk about Indiana’s past, present and future. (HPI Photo by Brian A. Howey)

bus, and March 2 at Indiana-Purdue Fort Wayne. A website has been created at www.policyinstitute.iu.edu/thriving.

Madison, the Miller professor of history emeritus at Indiana University who recently published the book “Hoosiers: A New History,” reminded those gathered at the 300 Center that “The past is always connected to the future” and added, “We all know how connected we are to the world.”

He cited a recent Economist article that made the point: “More than ever, local places matter.”

Our brand, “Hoosiers,” has been around since the 1830s, when Indiana began to take shape. It was during this era that Hoosiers made one of their most daring and risky moves. The state decided to build a canal system “because they wanted to be connected beyond.” The result with the emergence of competing railroads was a bankrupted state that resulted in a new constitution drafted in 1851. The lessons, Madison said, were “don’t borrow, don’t save for the rainy day, and be careful of innovation.”

By 1900, Madison declared, there was no place like Indiana on the face of the earth. It had emerged as a

manufacturing and agricultural juggernaut. Public schools were established from Loogootee to LaPorte and Indiana ended up with more Carnegie libraries than any place in the nation. The auto industry took shape in places like Kokomo, Auburn, Anderson and South Bend.

The United Auto Workers emerged and the 1940s and ‘50s were an “age of affluence” that provided the “longest period of sustained progress in history. There’s been nothing like it before and nothing like it since.” There was the notion that “there would always be good jobs.” Madison stated, “That guarantee was not real.”

It all changed in the 1960s and 1970s with the oil shocks and globalization. Studebaker collapsed in South Bend, the auto companies abandoned Anderson, RCA closed in Bloomington as did Whirlpool in Evansville. Even parts of a recovery were viewed with suspicion when the Japanese company Subaru decided to set up operations in

Lafayette. A number of “courthouse towns” slumped, with downtown squares finding J.C. Penney and Hook’s Drugs leaving like “missing teeth” and replaced by tattoo parlors and antique shops.

“There was a reluctance to embrace or even acknowledge change,” Madison observed. He cited several phrases that emerged from the Hoosier hinterland that seemed to define a new Indiana: “Good enough is good enough,” and “What is will always be.”

The critical factor, Madison said, is education. The influx of methamphetamine labs seems to favor communities with poor schools. Renowned author Kurt Vonnegut “never apologized for being a Hoosier,” Madison noted. “But we need to talk honestly and practically about where we are and where we need to go.” With the bicentennial, Madison said, lies the opportunity to “read, think and talk in each community and statewide.”

John Marron, senior policy analyst at the Institute, presented a series of graphics that surveyed the past and point to future dilemmas. In 1900, 46 percent of Hoosiers lived in rural counties. In the next 25 years, “nearly all of Indiana’s projected growth will occur in urban and mid-sized counties,” he said.



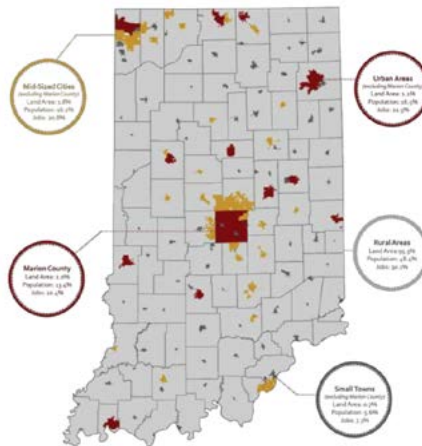
The General Motors complex at Anderson in the 1950s.

Indiana will see its elderly population steadily increase to exceed 20 percent by 2030. Yet, life expectancy here is 77.6 years, compared

to 78.9 in the United States. Per capita income has fallen 13 percent over the past decade. Only five counties have greater than 40 percent of the population 25 and older with an associate’s degree or higher.

“This demographic transformation, in which large metro areas capture the majority of population growth and many rural counties experience population declines, com-

Thriving Communities, Thriving State: Overview



Urban: Any first or second-class city that has been among the ten largest cities in Indiana since 1900

Mid-sized: All communities with a population exceeding 15,000 not included in urban

Small towns: Communities with populations between 5,000 and 15,000 OR a county-seat not otherwise accounted for

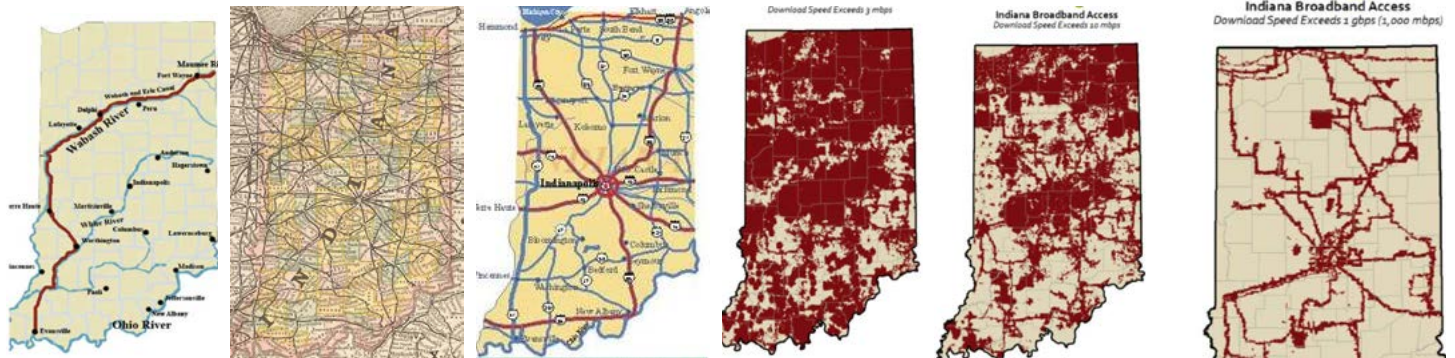
Rural: All other areas

Source: American Com

pounded by aging population, will have significant impacts on Indiana’s labor force and healthcare delivery systems,” Marron and Zach Mulholland write in “Indiana in Perspective.”

“Ultimately the true measure of success for Indiana and the policies that govern the interactions with it, depends on how well our communities are able to promote the welfare of the Hoosiers that call them home,” Mulholland and Marron write. But this collides with a traditional Hoosier outlook that includes a deep, antagonistic suspicion of Washington, D.C., and wants low taxes even when roads are bad, schools can no longer afford to bus their children, and rape kits pile up in police labs.

Madison offers hope, writing in his book, “Hoosiers made smart choices in responding to change. They created the most abundant corn fields in the world, the most productive manufacturing assembly lines and the best basketball teams. They also once claimed that only white men should vote, that the Ku Klux Klan was a great Christian reform movement, and that canals were better investment than railroads. More than most Americans, however, Hoosiers are blessed to heed voices that came before and thereby live in dialogues of past, present and future.” ❖



The historic routes of prosperity of Indiana can be traced with these maps, from left the canal system of the 1830s that bankrupted the state; the railroad system of the 1840s through the 20th Century; the Interstate system built from the 1950s through the 1970s; and current Internet broadband speed ranging from 3 mega bits per second, to 10 mbps, to the final map of 1 giga bit per second (1,000 mbps).

Meth issue facing steadfast opposition

By **MATTHEW BUTLER**

INDIANAPOLIS – There is probably no other issue in which Indiana’s local officials agree to such an extent across party lines, but face such steadfast opposition from key legislators, than the dilemma on how to tackle methamphetamine production. This legislative session appears to be on the cusp of repeating recent years’ failed efforts to require a prescription for cold medications containing pseudoephedrine (PSE), the crucial ingredient for meth cooks.



There are stark fault lines on the issue within the two chambers’ respective Republican super majorities. However, it appears the issue also splits Democrats. Last year a prescription requirement authored by Rep.

Ben Smaltz, R-Auburn, was heard by the House Courts and Criminal Code Committee, but Chairman Jud McMillin did not allow a vote. This year it appears a PSE prescription bill by Mount Vernon Republican Rep. Wendy McNamara will again flounder in committee. House Public Health Committee Chair Ed Clere has decided against hearing her HB 1390 while similar Senate legislation faces likely opposition in committee.

Indiana is by no means an outlier; many states have grappled with the same questions but decided against a PSE prescription requirement. Only Mississippi and Oregon have an outright requirement while Missouri and Tennessee have some variation of a local option. Arkansas requires a prescription for non-residents and Alabama requires residents of prescription-only states to present that documentation.

Hoosier lawmakers have certainly not stood still. In 2011, Indiana joined a 35-state database known as the National Precursor Log Exchange (NPLEx). It enforces in real time at the point of sale the state’s individual daily, monthly, and yearly limits on PSE. Moreover, the state has reduced those limits and increased criminal penalties in recent years.

As NPLEx severely constrained Indiana’s meth cooks, they turned to so-called “smurfs” and small-batch cooking techniques. Within legal limits, smurfs in Indi-

ana can supply a cook a six-month supply over a year. The lucrative trade draws an increasing number of third-party members into the meth trade who are otherwise not cooks nor users and thus hard for law enforcement to identify. “With the bottle labs and the smurfs, you have virtually no opportunity to interdict it because the purchasing of the precursors is legal,” Rep. Smaltz told HPI. “It only becomes illegal when someone gives it to someone they know is going to make meth with it.”

Prescription proponents argue states with the requirement saw a precipitous drop in meth production as neither cooks nor smurfs could easily source PSE. Mississippi, for example, saw its meth lab busts drop from a high of 692 in 2009 to only eight labs in 2013.

During the early weeks of the last session Indiana learned it possessed the ignominious crown for most meth lab busts in the nation for 2013 with 1,808. Now, a month into this session, the state again retains that distinction. Indiana’s 2014 meth lab busts totaled 1,488.

Unity among local leaders

Delaware County Prosecutor Jeff Arnold told HPI he thinks Indiana’s reported meth bust numbers are barely scratching the surface. He estimates the actual figure of meth labs statewide as “easily” over 5,000. His county led the state in total busts with 158, yet neighboring counties that he believes have similar meth problems had busts numbering only in the single digits. He says the discrepancy can be traced to the highly variable capability of local governments to tackle meth production. Arnold’s colleague in Washington County, Prosecutor Dustin Houchin, felt the same about 2013’s bust numbers: “For every one (lab seizure) there’s four or five more out there,” he told The Salem-Leader in February last year.

County prosecutors across the state, including those from Madison, Martin, Noble, and Vigo counties, advocate a PSE prescription requirement. It’s “such an easy fix,” as Arnold puts it. Key mayors are also on board. Terre Haute’s Duke Bennett, Evansville Mayor Lloyd Winnecke, and Muncie Mayor Dennis Tyler have been and remain vocal advocates.

Indeed, all the major organizations representing the gamut of Indiana local and county government – the Indiana Prosecuting Attorneys Council, the Indiana Public Defenders Council, the Indiana Conference of Mayors, the Indiana Association of Cities and Towns (IACT), the Indiana Association of County



House Public Health Chairman Ed Clere, R-New Albany, won’t hear anti-meth prescription bills this session because he fears over burdening Indiana’s limited number of family physicians.

Commissioners, the Indiana Sheriffs' Association, and the Indiana Police Chiefs Association – consider passage of a prescription PSE requirement a legislative priority. They've held town halls, testified before legislative committees, and lobbied their respective legislators. The Indiana State Police agree and are a lobbying partner.

Local media have also addressed the PSE prescription requirement. In looking toward the 2015 session, The Terre Haute Tribune Star recently dedicated a five-part editorial board series titled "The Rx Factor." "It is a close call," argued the editors, "but we lean in favor of the prescription-only arguments, even while realizing that change would bring inconvenience to consumers, doctors, and businesses."

High hopes for 2015

Following last year's session, HPI assessed where the meth issue stood with an eye toward the 2015 General Assembly. "Dedicated cohorts of Republicans in both chambers have sought and will continue to seek some form of a prescription requirement for PSE," HPI wrote in April. "One can expect advocates to refine their arguments and proposals between now and the 2015 session. To get any traction, these efforts will have to become more bipartisan. Perhaps more importantly, local elected officials, like mayors and prosecutors, will need to not only continue lobbying before legislative committees but make the local politics of meth felt by their respective state representatives and senators. Simply getting a floor vote in one of the chambers next year would probably be a victory to build on."

IACT's assistant government affairs director, Justin Swanson, admitted to HPI that expectations and spirits were high immediately following last year's session, as alarming meth statistics and disturbing news stories shocked as well as galvanized stakeholders across the state into a renewed push for a prescription requirement. Now he fears their cause is losing steam as it hits the same perennial legislative roadblocks.

Getting a committee vote might even be out of reach this year in spite of a growing coalition of proponents and legislative allies offering what they feel is "compromise" legislation.

"I firmly believe," Rep. McNamara said Tuesday, "that the only real way to address the scourge of meth is to make PSE a prescription." However, as she told HPI in April, McNamara has proposed legislation that would try to meet opponents halfway. Her HB 1390 would only require a prescription for PSE after a consumer purchases 9.6 grams during a 12-month period. Currently Hoosiers can purchase 61 grams per year. McNamara believes the prescription threshold would not inconvenience average

Hoosiers but drastically curtail smurfing.

RX opposition

House Public Health Chairman Clere, on the other hand, still does not think a prescription requirement, even after a given threshold, would result in a sufficient diminution of meth activity to warrant the costs to patients and the health care system. He notified McNamara several weeks ago he would not give HB 1390 a hearing.

"I have a lot of sympathy for the communities that are disproportionately affected by meth," Clere explained to HPI. "But, I'm not convinced it's the right solution. I appreciate the desire for compromise but I'm just not sure it would solve the problem. PSE is a safe, effective, and inexpensive remedy. I believe it should continue to be available over the counter."

"I've taken a hard look at the house bills;" Clere was careful to emphasize, "it's not like I haven't considered them."

A PSE prescription requirement would run counter, Clere argues, to efforts to alleviate another serious statewide issue, Indiana's current and worsening health care provider shortage. "Reconciling any proposal to restrict access to PSE with the acknowledged provider shortage, especially with expanded health coverage with the marketplace and HIP 2.0, there is even more pressure on the primary care system," Clere elaborated.

Tim Brown, House Ways and Means chairman and Crawfordsville physician, told HPI during his statewide health-care tour this past spring that he opposes a prescription requirement for those very reasons.

Many in health care argue that a prescription requirement would clog doctors' waiting rooms with those simply seeking what should be over-the-counter cold medicine. The Indiana State Medical

Association, the Indiana Pharmacists Alliance, the Minority Health Coalition, and the Indiana Institute for Working Families are together in opposition.

Prosecutor Arnold told HPI the Indiana Medical Association has been one of the most vehement opponents to any prescription requirement he has encountered in his lobbying efforts. Naturally, his lawmaking allies on the issue are not convinced either. "One of the craziest arguments I've heard is doctors don't want to prescribe it," Smaltz told HPI. "They don't want to be the gatekeeper of prescription drugs? Then don't be a doctor because you already are."

There are also industry groups that oppose a prescription requirement, such as the Indiana Pharmacist Alliance, the Indiana Retail Council, and the national Consumer Healthcare Products Association. "It's very clear our Hoosier misery with meth is their profit," Smaltz told HPI back in April. "CHPA propagates the idea that our society



State Rep. Wendy McNamara says the only way to address meth is through PSE prescriptions.

couldn't possibly exist without over-the-counter availability to their products when in fact there is no evidence that shows that." He continues to believe their opposition stems from the "big business" to be made in the unrestricted selling of PSE cold medications.

"They don't care about me or my neighbor or the kid down the street," he said. "They don't or they would do something about it, and that really bothers me. Hoosiers need to stand up for Hoosiers because the outside forces want business as usual."

Other remedies or half measures?

Like McNamara, Smaltz is still trying to tighten regulations where he can that specifically target meth production. They see them as only half measures, but progress nonetheless. His HB 1602 would raise penalties for manufacturing and possession of meth to a Level 4 felony with extra sentencing for doing so in the presence of a minor. He says the idea has been received warmly and additional legislators have asked to be attached to the bill.

"It also has a unique feature that specifically targets smurfs," Smaltz explained. "That is the requirement that the boxes be individually serialized." When meth labs are busted, sometimes PSE cold medicine boxes, blister packs, and even loose pills are found. Theoretically, this would enable police to track the PSE back to the original smurf. Smaltz hopes it acts as a strong deterrent against those considering smurfing for extra cash.

Opponents of a PSE prescription requirement have their own legislation to tackle meth. Sens. Michael Young and Carlin Yoder's SB 536 would require prescriptions of those convicted of meth-related crimes. Rep. Tom Washburne has proposed similar legislation (HB 1563). Yoder authored previous years' legislation requiring the use of NPLeX and told HPI in April he believed the system was empowering police and could thus partly explain a spike in meth busts. He believes the system needs time to work its course. He strongly opposes a general prescription requirement.

Across the Statehouse, those on both sides of the issue meet this proposal with some skepticism. "I would certainly be open to considering Sen. Young's bill," Clere cautiously remarked. "I always want to be mindful of the potential unintended consequences."

Smaltz is nonplussed. "The reporting of meth-related convictions does not do anything to stop the smurfs who are buying it and giving to the meth cook," argues Smaltz. "The smurfs who are doing this don't typically have a felony record for it. They're small-time helpers of

the whole process. If you ignore them completely you really don't do anything."

Smaltz argues singly out only meth-related convicts not only sidesteps smurfs but is expensive.

As per Young's bill, local courts would have to devise methods to report meth-related conviction data to the Indiana State Police, who would then have to develop the capability to collate the information and provide it to NPLeX so it can block retail sales in real time. Smaltz has heard a \$700,000 price tag for such a program.

Due to all the local-level unknowns, the LSA says the fiscal impact of both HB 1563 and SB 536 is "indeterminable."

Other prescription proponents don't believe Hoosier taxpayers should be saddled with this bill. Swanson, of IACT, told HPI the failures of the pharmaceutical industry-funded NPLeX system should not result in state and local governments paying more to track PSE purchases.

A Senate bill by a converted opponent of a prescription requirement has heartened proponents. Sen. Brent Steele changed his mind on the issue over the summer and is convinced the state should experiment with a prescription requirement on a trial basis. His SB 445 would make PSE a Schedule 4 substance, but sunset in June 2018.

Steele's bill was reassigned from the committee he chairs, Judiciary, to Sen. Young's Corrections and Criminal Law Committee. Young has indicated the furthest his committee would venture is his SB 536, scheduled to be heard on Feb. 10. Prescription proponents remain hopeful, however. "I think that's smart," Smaltz commented on Steele's legislation. "Let's see if that works." IACT also agrees and hopes Steele's language could be appended to Young's through the committee amendment process.



State Rep. Ben Smaltz seeks to target smurfing this session.

Treating addicts

Where Republicans who disagree over a PSE prescription requirement do tend to find common ground is on the need to emphasize drug treatment. The persistence of shifting drug epidemics, in Clere's opinion, "is why we as legislators need to turn our focus to addiction treatment rather than just cutting off supply." He notes that as the state has cracked down on, for example, prescription opioid abuse, addicts have switched their habits to more readily available alternatives like smurfed meth and, more recently, heroin. Smaltz and McNamara agree early treatment interventions are critical.

How last year's criminal code reforms will be funded this biennium in terms of community corrections and drug treatment is another important, yet uncertain aspect of Indiana's ongoing battle with meth. Multiple media outlets the past several months have reported that county sheriffs are nearly apoplectic that jails will be overrun with addict inmates.

"I'm hoping we will have a robust and produc-

tive debate during this legislative session about increasing addiction treatment resources," Clere remarked. "Until we significantly increase addiction treatment, we're dancing around the problem."

Clere mentioned both he and Rep. Greg Steuerwald are pushing legislation, HB 1269 and HB 1006, respectively, to reform and expand drug and mental health treatment for inmates and parolees. The latter bill is calling for roughly \$50 million per year toward the effort. Gov. Mike Pence's proposed budget, however, did not include community corrections funding.

Spadework for 2016

Prescription proponents stress urgency, but they are used to frustration and pledge they will not relent. Coalition building and raising awareness remain their main strategy. Rep. Smaltz has found his colleagues, especially from urban areas, increasingly aware and knowledgeable in recent years about Indiana's meth problem. "I would say significant support has strengthened across Indiana," McNamara has also found. She credits local leaders' calling attention to meth's pervasiveness and costs.

"There has been some pushback on these bills, but we expected it," Rep. Karlee Macer, a coauthor to HB 1390, told HPI. "But the problem isn't going away and I imagine the legislation isn't going away either. The facts are the facts and unfortunately Indiana is leading the way in some ugly ways when it comes to meth."

"I think we really need to change the message that we're taking away your PSE," McNamara told HPI. "I think the message needs to be: 'There is a drug out there that hurts children, has severe economic costs to your community in terms of home building, has significant costs

in health, and not to mention in police costs.'"

A 2009 estimate by the RAND Corporation placed the cost of all meth-related problems in Indiana at \$1.87 billion in 2005. Since then meth production has only increased and dispersed across the state. It's safe to assume such an approximate figure for today would be much higher.

From Indiana's leading meth county, Prosecutor Arnold says the costs of tackling the after effects of meth production are legion. All too often, he finds, opponents of a prescription requirement fail to differentiate between meth use and meth production. Special police units must secure and process the crime scene using protective gear. Often fire departments must stand by due to explosion and fire risks. Children are often present and must be taken into protective custody. The contaminated homes are rarely professionally cleaned and instead lie abandoned as neighborhood blight. If Hoosiers continue to abuse out-of-state meth that would be unfortunate, but Arnold and likeminded advocates believe that would be preferable to leading the nation in meth labs.

By stressing the rising and cumulative costs of meth labs to children, neighborhoods, local governments, and the state, both Arnold and McNamara believe the prevailing narrative will become one of making small sacrifices to fight something that is extremely destructive and costly for everyone.

As the 2015 session approaches the crossover point, committee work for the remainder of the month will decide if Indiana takes more drastic steps in combating meth production.

"We still have a few weeks left; you never know if you can get a hearing or not," an ever-optimistic McNamara told HPI. "It's disappointing if we don't." ❖

Legalizing our 'sawn-off' shotguns

By BRIAN A. HOWEY

NASHVILLE, Ind. – "Do you want to see what we're pulling off the streets these days?"

This was the voice of Elkhart Police Chief Tom Cutler, who held the post back in the late 1980s when his "City with a Heart" was going through a crime spree and this reporter was probing the situation.

We walked back to EPD's evidence storage area and the chief showed me and Elkhart Truth photographer Fred Flury an array of sawed-off shotguns. Back in those cocaine days, a perp could brandish a "sawn off shot-

gun" under a trench coat, enter a convenience store or a drug dealer's living room and come up with a rude, rude surprise. Concealment of deadly force is the key.

So it's curious why State Sen. Jim Tomes is pushing for the legal sale and possession of sawed-off shotguns here in Indiana. His reason is that these weapons are already legal under federal law, and he just wants to

bring Indiana in line. "These guns rarely see a gun range because people buy them and usually just keep them in their collection. ... And they are expensive guns," Tomes told Chelsea Schneider of the Evansville Courier & Press.

Tomes added that in addition to being collector's items, many Hoosiers use them to protect their homes. Indiana



law defines a sawed-off shotgun as having a barrel less than 18 inches in length, or a modified shotgun with an overall length of less than 26 inches. Currently, a Hoosier manufacturing, selling or owning one is a Level 6 felony.

On the Senate Judiciary Committee last week, Tomes' bill easily passed by an 8-1 vote, and then the full Senate on Tuesday, 44-6. So the support is obviously as wide as the guns are short.

What is the allure of a sawn-off shotgun? Jesse David Fox, writing for Vulture.com, explains: "Short-barreled shotguns are devastating at close range. They can fire solid slugs, or multiple lead balls called 'shot' (hence the name shotgun). There is buck shot (larger balls), bird shot, small game shot, target shot. The barrels are smooth bore, meaning there is no rifling to leave forensic evidence, such as tool marks behind on the projectiles. No. 12 (rat shot) can rip a man like canvas, blow hinges off doors, or eradicate someone's features, making it more difficult to identify a body and to have an open casket."

Cutler allowed me to brandish two sawn-off shotguns and Flury snapped a few photos, marking one with a Sharpie I have under frame in my office, "Yosemite Howey." There was, admittedly, a feeling of crude, deadly empowerment in the palms of my hands, though my own current cache consists of a pump action shotgun at legal length down at the cabin, the reason being that aim in the dead of night isn't as important. Or as Chief Cutler explained, "A criminal entering a home will think twice when he hears that pump action."

As for historical users, Fox explains, "The Irish, Scots, and English criminal class love 'em. The Sicilians and Corsicans as well. Blacks and hicks. Inner city, or back up in the hollers. It's turning a tool of peasant subsistence into a weapon of foreboding severity. They are not all that, they just convey an air of brutality to the wielder that other weapons don't as much."

There is bad news on this front as well as good news. I'll let Fox explain. "No. 12 shot to the guts would not be a soft way to go. A slug to the cerebral cortex would be messy, but pretty painless for the victim."

PANEL HEARS PENCE TAX PROPOSAL: The Indiana House's lead fiscal committee heard a proposal backed by Gov. Mike Pence on Wednesday that aims to streamline the state's tax code (Schneider, Evansville Courier & Press). The legislation, born out of a tax conference Pence had last year, proposes several strategies in hopes of simplifying the code. Pence's administration looked at areas in the state's tax code that spurred frequent litigation or had burdensome filing requirements. The legislation in front of Ways & Means would clean up the tax code, said Micah Vincent, general counsel and policy director with the Office of Management and Budget. Andrew Berger, with

the Indiana Manufacturers Association, said moving to a single-direct test, which would broaden the definition of goods that would receive the exemption, would help the sector. But Berger said the organization is cognizant of the fiscal impact. "I just want to say it's a key thing for Indiana to keep manufacturing healthy because it's an integral part of our economy," Berger said. "The natural momentum is toward more and more complexity over time and the long-term effects of that are not positive," Vincent said. A major part of the bill deals with changing the test Indiana uses to determine which goods used in the manufacturing of products are sales-tax exempt. The legislation works to broaden the definition of what products would be exempt, but the change would come at a revenue loss to the state. But the estimated financial loss is wide-ranging. An analysis by the Pence administration placed the loss at about \$38 million. But the non-partisan Legislative Services Agency expects the loss of ending the "double-direct" test at as much as \$240 million by 2018."

I-69 ROUTE BILL HEARD: A state lawmaker says he wants to even the playing field as Indiana finalizes the route of the sixth and final section of Interstate 69 (Evansville Courier & Press). An Indiana House committee heard testimony Wednesday on a proposal to remove a restriction in state law that bars the road from entering Indianapolis' Perry Township. That restriction essentially removes the project's ability to follow Indiana 37 north into Marion County. State Rep. John Price, a Greenwood Republican, said his legislation does not offer an opinion on what the final route for the sixth section should be. Price said I-69 is a significant project for the entire state, and his bill allows for "equal consideration" of all possible routes. "My bill simply just says it will remove the barrier so any area can be considered and that barrier between Perry Township and Marion County would be removed so it will be fair and equitable for all jurisdictions," Price said.

DEAD ABSENTEE VOTER BILL HEARD: Someone who casts an absentee ballot but dies before Election Day would still have their vote count under a proposal being considered by Indiana lawmakers (WTHR-TV). The provision is part of a bill that the House Elections Committee took up Wednesday. Rep. Matt Pierce of Bloomington told members about how disappointed he was when former U.S. Rep. Frank McCloskey's absentee vote that he cast while fighting cancer didn't count because he died before Election Day in 2004. Pierce said that only some county clerks actively check for deaths of absentee voters. Indiana Election Division co-director Brad King says allowing such votes could violate a state constitutional requirement that a voter live in a precinct for 30 days before an election. The committee plans more review before acting on the proposal.

MOM TESTIFIES ON SYNTHETIC DRUG BILL: It's been almost a year since a Greenwood mother lost her son



after officials say he took a new and dangerous synthetic drug, known as 25i-NBOMe (WISH-TV). 16-year-old Sam Motsay was an athlete and an honor student, with big dreams and a bright future. He died on Mother's Day 2014 after taking NBOMe. At the time of Sam's death, even police here weren't familiar with synthetic drugs. His family started a non-profit called Sam's Watch, in the months after his death. Sam's family is now working to educate both parents and students about the dangers of synthetic drugs. Jeanine Motsay, Sam's mother, says she's also now working with state lawmakers to get these drugs out of our community. Motsay says she's working with Senator Jim Merritt to help get Senate Bill 278 passed. The bill would make the penalties for selling a synthetic drug the same as the penalties would be for whatever drug it mimics, like LSD. "Sam was your typical kid, but for us, he was our son. We miss him every day," said Motsay. "We're hoping his death can be life giving to someone else."

PANEL OKs DOUBLING DOMESTIC VIOLENCE

FUNDS: Indiana lawmakers were moving forward to double funding for domestic violence prevention and treatment (WRTV-TV). A panel unanimously approved a \$10 million appropriation for the next two years on Wednesday. Rep. Woody Burton, R-Whiteland, said the cause was personal. He told his colleagues about the night his father broke into the family's house through the attic and kidnapped his mother with a shotgun to her head. Burton later woke up in a police car. He was four years old. "It's an illness for the people who are victims, because they're afraid to get away from it, they feel compelled to stay with it -- not all of them, but a lot of them do. And they need help. So anything I can do to encourage that and talk about it openly and freely, I'm going to do it," Burton said. A representative for the Indiana Coalition Against Domestic Violence said the state's shelters turned away more than 1,700 victims last year due to a lack of space. The funding proposal now moves forward to the full House.

SENATE PANEL PASSES SCHOOL CHRISTMAS BILL:

Schools and teachers that want to celebrate Christmas and other winter holidays in the classroom could get legal protection to do so, under a bill approved by an Indiana Senate committee on Wednesday (WRTV-TV). The Senate Education Committee unanimously backed the measure, which would allow schools to have Nativity scenes or other Yuletide decorations, as long as another religious or secular holiday is recognized. It would also permit history lessons about winter holidays and traditional holiday greetings, including "Merry Christmas" and "Happy Hanukkah." The bill received little pushback in committee, though some lawmakers expressed doubts on whether it is necessary since celebrating Christmas is already a legal activity in Indiana. Bill sponsor Sen. Jim Smith, R-Charlestown, said the proposal would help ease hesitation among teachers and schools, and encourage them to celebrate the holiday season with students. "It will help them defend

themselves when they are either threatened with lawsuits or if they indeed get involved in a lawsuit," Smith said. "It will act as a guideline for them."

BLOOMINGTON TRANSIT BILL ADVANCES: A bill working its way through the Indiana State Senate would help expand Bloomington's transit system to include the entire Monroe County area (Indiana Public Media). The proposed bill would give the Monroe County Council permission to impose a county economic development income tax, or CEDIT, to fund expanding Bloomington's public transit system. Sen. Mark Stoops, D-Bloomington, authored the legislation, which cleared the senate's Tax and Fiscal Policy Committee in a unanimous vote Tuesday morning. "Half the residents of Monroe County live outside of the city's jurisdiction, so we really have a very large under-served population," Stoops says.

BILLS WOULD CALL FOR MORE CHILD CARE HELP:

More families may be eligible for extra help affording child care if bills in the House and Senate receive support (Slager, Kokomo Tribune). House Bill 1616 and Senate Bill 129 both call for new income level eligibility requirements that would expand the number of families that qualify for the federally-funded Child Care and Development Fund vouchers. The voucher amount depends on the age of the child and quality level of the provider. In 2013, 653 children in Howard County had their family's child care costs subsidized by CCDF vouchers, plus 160 children in Miami County and 30 in Tipton County, according to the most recent data from the Kids Count report, an annual measure of child well-being supported by the Annie E. Casey Foundation. Still, another 4,915 eligible children across the state were on a wait list for the vouchers each month in 2013, according to Kids Count, because there is not enough federal funding for the program. State lawmakers would like to designate state money to the voucher program and make more families eligible. "What I've been hearing for a number of years from constituents, parents and employers is that this is a hurdle in the job market," said state Sen. John Broden, D-South Bend, who authored SB 129.

SBOE WILL LOOK AT TEACHER EVALUATIONS: In an effort to improve Indiana's teacher evaluation system, the State Board of Education voted Wednesday to move forward with a set of recommendations from a third party education group (Indiana Public Media). National non-profit TNTP created the suggested improvements, after spending the last few months conducting focus groups and surveying educators around the state to evaluate how they perceive Indiana's teacher evaluation system. Data showed 60 percent of the 2,400 educators surveyed are unsatisfied with some portion of their corporation's evaluation system.

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Indiana recovery from the Great Recession

By **MORTON MARCUS**

INDIANAPOLIS – The American economy is a mosaic of 381 metropolitan economies, which account for nearly 90 percent of the nation's inflation-adjusted Gross Domestic Product (real GDP).



Although the U.S. Bureau of Economic Analysis has released GDP preliminary data for 2014, it will be months before we learn the figures for the states and metro areas. Today, we'll have to make do with 2013 data.

The national Great Recession started as a mild 0.7-percent decline of real GDP between 2007 and '08 for all metro areas in the country; fewer than 60 percent of the metro areas saw a drop in real GDP. Six of the 15 metro areas that include Indiana counties escaped that early downturn. These were Columbus, Bloomington, Lafayette, Evansville, Indianapolis and South Bend. However, Elkhart-Goshen fell 12.6 percent in 2008 while Kokomo suffered a 16.9-percent decline.

By 2009, all Indiana metro areas, except Bloomington, were producing below their 2007 levels. In Columbus, real GDP was down 14 percent from 2007, Elkhart-Goshen down 33 percent, and Kokomo off by 44 percent.

Yet the economy often follows the unusual maxim: "What goes down will come up." From those lows of 2009 to 2013, Kokomo zoomed to first in the nation, leading real GDP growth with 61 percent. Elkhart-Goshen followed in fourth place nationally at 48 percent and Columbus came in sixth with a 30-percent growth.

With the recession over, the question arose, "Are we back to where we were in 2007?" In seven Indiana metro areas, the answer is YES and more so. Columbus in 2013 stood 11.3 percent above its 2007 level, Indianapolis up 6 percent, with other positive results for Cincinnati (includes Indiana's Dearborn, Ohio and Union counties), Bloomington, Lafayette, Fort Wayne and Louisville (includes Indiana's Clark, Floyd, Harrison, Scott and Washington counties).

Small (less than 1 percent) shortfalls remained for Elkhart-Goshen, Evansville, Muncie and Chicago (includes Indiana's Lake, Porter, Jasper and Newton counties). Deficits of 2 to 4 percent were found in South Bend, Michigan City and Terre Haute. However, Kokomo was still below its 2007 real GDP level by nearly 10 percent.

Nationally, two of every five metro areas were below their 2007 levels. We'll see if the 2014 numbers wipe out those negatives.

Another way to evaluate a metro area's perfor-

mance over the recession and recovery looks at that area's share of the national metropolitan economy. That share rises if its percentage growth exceeded the average metro area growth rate of 4.5 percent. Only four Indiana metro areas increased their share of the nation's real GDP; they were Columbus, Indianapolis, Cincinnati and Bloomington. The remaining 11 metro areas, including Chicago and all those in the northern half of the state, declined in their share of the nation's output.

Does this matter? We hear from state and local officials and economic developers how competitive our state is. The facts do not seem to support such claims. Perhaps the state legislature and the governor's office might forget their many embarrassing proposals and get down to the real business of making all of Indiana attractive to business. ❖

Mr. Marcus is an economist, writer, and speaker who may be reached at mortonjmarcus@yahoo.com.



A relook at the creative class

By **MICHAEL HICKS**

MUNCIE – Many readers will have heard of economist Richard Florida whose writings popularized the notion of a "creative class" of workers. Florida argued that these workers held the key to a region's prosperity and that the policies that attracted them would offer economic salvation. These policies are now common, so I offer brief review and friendly critique.



The creative class comprises people whose jobs involve creating new forms of things, solving complex problems and expressing new ideas. Think software developers, mechanical engineers, novelists, web designers and ahem, university professors. This is not too controversial an idea, but Florida argued

more than a decade ago that it was these folks who comprised the economic future of a region. Therefore he argued, cities should make themselves attractive to these workers. This argument and the subsequent policies have proven hard for many folks to swallow.

Florida argued that to attract these workers, places had to be "cool." This definition proved a bit too porous to satisfy policymakers, so Florida focused his description of cool places as those having high levels of human capital (talent), an open and welcoming society (tolerance) and appropriate infrastructure for creativity

(technology).

Many places have tried in earnest to craft policies that would embrace these ideas. However, few seem to have actually succeeded in luring a disproportionate share of the creative class. At the same time, Professor Florida has come under withering criticism from three groups. My economist colleagues have found plenty of technical holes in his argument. Community activists have critiqued the policies that essentially benefit the most affluent folks in a city. Policymakers outside very large cities have found his policy recommendations unrealistic (how really do you rise on the gay friendly index?). I have a somewhat different and far friendlier take on Richard Florida's ideas.

From the 1960s through the 1990s Florida observed workers relocating to places that were rich in amenities. As will any trend, the most extreme elements are the most visible. So, Richard Florida observed the leading edge of trendy, bohemian and urban migration pattern. These households were young, worked in occupations that could locate anywhere and most desired a set of urban amenities like coffee shops, bars, commuter rails and the

arts. But, this was just the leading edge of a vast change in behavior.

Today, perhaps 95 percent of occupations are tied not to a particular region, but can be done anywhere there are people. That means nowadays, nearly all households, not just young urban hipsters, can live almost anywhere they wish. This means that the 'cool' attributes Richard Florida identified will be less important to a region's success than generally being a great place to live across many attributes.

Mobile households today look for good local schools, safe, quiet neighborhoods, availability of recreation and the like. What Florida observed about amenities of tolerance, talent and technology was the leading edge of a trend that affects nearly all migration in America. Being a great place matters much more than being cool, and it is these great places are the only ones that are growing.



Michael J. Hicks is director of the Center for Business and Economic Research and the George and Frances Ball distinguished professor of economics

Lake Republicans have to bring home the bacon

By RICH JAMES

MERRILLVILLE – Given the Republican stronghold on the General Assembly, one might think that heavily Democratic Lake County might be out in the cold. After all, with Republican super majorities in the House and Senate and the GOP controlling the governor's office, Democratic Lake County wouldn't seem to have much of a voice.



Well, that's not exactly the case.

And in fact, Democrats ought to be thanking hometown Republicans. Without the local GOP, Northwest Indiana Democrats would have much less of a chance of getting what they seek from the Legislature.

Despite their many years of service in the Legislature, Democratic Sens. Earline Rogers of Gary and Frank Mrvan of Hammond don't have much clout. And the same can be said for Reps. Charlie Brown, Vernon Smith, Earl Harris and Linda Lawson.

That pretty much leaves it up to Republicans to carry the legislative agenda for Lake County as well as Porter County.

The future of the Northwest Indiana Regional Development Authority, for example, is totally dependent on Republicans. That is an irony of sorts in that the RDA – while formed under Republican Gov. Mitch Daniels – was

largely driven by Democrats, former State Rep. Chester Dobis and U.S. Rep. Peter Visclosky.

Yet, the future of the RDA will be decided by Republicans Ed Charbonneau and Ed Soliday of Porter County and Hal Slager of Lake County.

And if Northwest Indiana is to get state money for highway improvements, it will be Republicans who bring the bacon home.

The other new and relatively new Republican legislators representing Lake County are Reps. Bill Fine, Julie Olthoff and Michael Aylesworth and Sen. Rick Niemeyer.

The situation today isn't new to Democrats. The Lake County Democrats always have needed the help of Republicans over the last half century to get things done in the Legislature. Back in the 1970s and 1980s, Republican Reps. Jerry Reppa of Munster and Esther Fifield of Crown Point served as keys for Lake County Democratic legislation. About the same time, Republican Sen. Ernest Niemeyer of Lowell was the vital link for area Democrats getting anything through the Senate.

Later, Republican Rep. Tim Fesko of Munster worked hand in hand with Dobis for the betterment of Lake County. And the same can be said for GOP Sen. Sue Landske of Cedar Lake, who just retired from the Senate.

On the federal level, former Sen. Richard Lugar, a Republican, and Visclosky, worked closely for years for the betterment of Northwest Indiana. Northwest Indiana is a prime example that Republicans and Democrats can work together for the common good, even after going through nasty election campaigns. ❖

Rich James has been writing about state and local government and politics for more than 30 years.

What 'Just IN' could have propagated

By JACK COLWELL

SOUTH BEND – "Just IN" is just what?

Gov. Mike Pence, backing away from his administration's plans for a government-run, taxpayer-funded news agency called "Just IN," says the operation will be just a clearinghouse for state press releases.



Administration documents obtained by the Indianapolis Star showed planning for much more, describing Just IN as a news outlet providing stories for smaller newspapers, sometimes breaking news and including features and personality profiles.

Two administration mouthpieces writing the stuff are to be paid about \$100,000, and of course there would be additional costs for the contributions of communi-

cations directors in the various departments.

Worst case scenario of a government propaganda press?

Well, the latest unemployment statistics just in last week showed that Indiana saw a slight uptick in its unemployment rate to 5.8 percent. That's higher than the national unemployment rate of 5.6 percent. Indiana's rate was worse than jobless rates in 30 other states.

Just IN, if already operating and breaking "news" for the administration, could have propagandized like this:

"INDIANAPOLIS (Just IN) – Gov. Mike Pence has it right. New unemployment statistics just obtained by Just IN show that the governor's insistence on balanced budgets is bringing economic wonders to the Hoosier state, while neighboring Illinois suffers joblessness due to deficits of tax-and-spend governors.

"Indiana's unemployment rate stands at just 5.8 percent. In Illinois, the rate is 6.2 percent. Illinois is down in 35th place among states in the listings of joblessness, a woeful result. As Gov. Pence said in a well-received State of the State address that brought calls for him to run for president, 'There are 49 other governors across the country who wish they could be me.'"

Based on the unemployment statistics, there could be 30 governors with lower joblessness rates who perhaps are glad they are not governor of Indiana. Fiscally unsound Illinois is in 35th place. Indiana is close to its neighbor, 31st.

Also last week, the Chicago Tribune reported from Washington that Indiana "became the latest state to expand its Medicaid program through the Affordable Care

Act, as another Republican governor agreed to accept federal dollars to extend government health coverage to low-income state residents." The paper's Washington Bureau noted the national view: "Indiana's move, which had been closely watched nationally, marks a significant victory for the Obama administration."

Just IN could have presented a different view, with reprints for Iowa and New Hampshire:

"INDIANAPOLIS (Just IN) – Gov. Mike Pence struck a potentially fatal blow to the failed Obamacare, forcing the Obama administration to accept Healthy Indiana Plan 2.0. Federal approval of the sensible Pence plan marks a significant defeat for President Obama and shows what a capable rather than incompetent president could do."

Propaganda about economic wonders and health care glory in Indiana may not now be that blatantly presented in Just IN, at least not as it first goes to press.

Critical response in Indiana and nationally to the idea of a government-controlled and taxpayer-funded news operation will curtail plans for now for breaking "news" in Just IN.

Indianapolis Star columnist Matthew Tully wrote: "A state-run news agency? What in the name of Vladimir Putin is the Pence administration thinking?"

Headlines in national on-line commentaries included "Pravda on the Plains: Indiana's New Propaganda Machine" and "Welcome to the Gulag, Love, Mike Pence."

Even some conservatives who admire Pence were taken aback by taxpayer funding of a new government "news" operation.

Negative reaction isn't welcomed by a governor looking at running for the Republican presidential nomination. So no wonder Pence backed away, calling it all a misunderstanding and insisting he didn't know what his staff had been working on with this Pence News operation. If he didn't know, he should have. And he or somebody around him, realizing how a state-run, taxpayer-funded news agency would sound, should have hollered, "Just NO." ❖

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

Conservative pundits hate HIP 2.0, but here there's solid support

By **BRIAN A. HOWEY**

BLOOMINGTON – The conservative propagators are weighing in on their latest favorite whipping boy, Indiana Gov. Mike Pence, the new Benedict Arnold to their ideology.

The cause was the Obama administration's acceptance of the Healthy Indiana Plan 2.0 waiver, that opens up health coverage for somewhere between 350,000 and 680,000 Hoosiers.



I called it a milestone achievement for a pragmatic governor who was elected to govern. Hoosiers appear to agree, with 18,000 signing up for HIP 2.0 during the first week.

But Phil Klein of the Washington Examiner claimed that Pence "betrayed taxpayers when he embraced an expansion of Medicaid through President Obama's healthcare law."

"Myopic Republican governors think they can fool conservatives by gaining token concessions on what remains a government-run healthcare program and calling it 'free market reform,'" Klein wrote. "But the Obama administration is playing the long game, realizing that if it keeps adding beneficiaries to the books, big government liberalism wins."

One problem here is that Pence governs more than Hoosier conservatives. He governs everyone.

And James Antle III, writing for the Daily Caller, who wrote, "Conservative buzzwords aside — 'market-based, consumer-driven' — this is an expansion of Medicaid. It will lead to more people receiving government health care, at federal taxpayer expense in the short term and likely at Indiana taxpayer expense in the long term."

Noting the controversy of the misfired "Just IN" website that was described as "Pravda on the Plains" by The Atlantic (Indiana is not on "the plains" which actually begin two states over beyond that big river you see over the left wing, but in the Midwest), Antle declares, "Pence's Obamacare surrender is the real story."

Both believe that Pence's presidential aspirations will take a fatal hit.

And both haven't set a foot in Indiana, talked to

Hoosier hospital executive, or a safety net provider. They haven't toured a community health clinic in a low income Fort Wayne or South Bend neighborhood. They don't understand our unacceptable infant mortality rate or the historic high smoking rates. To them, governing is an obligation to ideology as opposed to service to the people.

We all know that Congressman Pence was a vociferous opponent of Obamacare, and even as governor he has urged its repeal. But the reality of his day job was that the state's Disproportionate Share Hospitals were going to tank if Indiana didn't make some type of accommodation. Under Obamacare, the Medicaid as we know it would end in 2017.

It isn't as if taxpayers and consumers weren't already taking the hit. Wishard/Eskenazi in Indianapolis alone had write-offs of over \$1 billion annually as uninsured showed up in their ERs. Those expenses were being covered by taxpayers and consumers.

When I pressed Republican Indiana House Ways & Means Chairman Tim Brown, an emergency room physician from Crawfordsville, about what would happen in 2017 when the traditional Medicaid funding ran out, Brown was at a rare loss for words on how the state would cope.

U.S. Rep. Larry Bucshon, a Republican heart surgeon, explained, "When it comes to Medicaid I feel states should have flexibility in how they insure their citizens. Let states innovate. Make the states a laboratory on how we can cover people that are uninsured in a cost effective, more efficient manner that is sustainable. HIP is one of those ideas I think can be successful."

The remarkable thing about the HIP 2.0 waiver is that here in Indiana fly-over country (Phil and James have probably seen us from 30,000 feet and we should all wave when they do), the political support has been virtually unanimous.

Leaders from all four legislative caucuses were on the same page in their praise and acceptance of Pence holding out for the kind of deal he wanted, and grateful that Indiana has a path forward.

Hoosier cigarette smokers and hospitals are going to fund this "expansion."

Talking to a Republican state senator, I asked if there were any silent critics in the majority caucus. None, I was told. Nary a discouraging word.

In the three decades of covering Indiana politics and public policy, I cannot remember such unanimity on the ultimate controversial topic of health care.

Is Pence's HIP 2.0 perfect? No. Will there need to be tweaks? Yes. But in Gov. Pence's mind, the states are the rightful laboratories of policy innovation.

Ignorance can be left to the Seaboard pundits who don't really know what they're talking about. ❖



Note: Howey discusses this topic on NPR's "Political Junkie" podcast No. 62 with Ken Rudin this week. Listen at krpoliticaljunkie.com

Bob Zaltsberg, Bloomington Herald-Times:

The planning documents for the Gov. Mike Pence administration's JustIN news site described a potentially grave abuse of governmental power in controlling information the public needs to know. The idea that the site would be a state-run news service that would sometimes break news ahead of other news outlets and develop "strategies" for when it wanted to do that sent chills through media professionals, media observers and all other Hoosiers who want some checks and balances on government propaganda. Gov. Pence backpedaled quickly after the idea, first revealed in the Indianapolis Star, was met with serious objections as well as sharp parody — such as "Pravda on the Plains" and "All the News That's Fit to Pence." (Since when is Indiana the Plains? But I digress). The governor said: "It is not appropriate to describe the objectives of a clearinghouse website of press releases with news-related terms. I regret the confusion here." He also distanced himself from the planning documents in saying: "Either this website will serve as a convenience to the press and the public as a source of greater transparency in people knowing what's happening in state government, or it won't happen." And the next day, he killed the whole idea. There's reason to believe he was being sincere when talking about what he thought JustIN was going to be, versus what his planners were putting together. He's been consistent in his defense of the free press during his career. As I mentioned last week in this column, before the JustIN news broke, Pence was a strong supporter of a federal shield law when he was in the U.S. House of Representatives. Indiana Sen. Richard Lugar served the same role in the Senate. Shield laws allow reporters to protect their sources, which Pence has always said was an important protection for more than just the reporters in question. Speaking in October of 2005 in Chicago, he advocated strongly on behalf of the media. "I believe the only check on abuse of power is a free and independent press," he said. "There is nothing more conservative than defending the principles of a free and independent press." That's the view of journalists and journalism I'd prefer to think Pence maintains today, rather than that he's someone who really wanted to launch anything akin to a Pravda on the Plains. ❖



Jerry Davich, Chicago Tribune:

Trust. This slippery five-letter word is the foundation of the newspaper industry, as well as for all media outlets. You either trust your news source or you don't. Period. It doesn't matter if it's Fox News, CNN, MSNBC, the Chicago Tribune or Post-Tribune. Without trust, it's just blind faith in propaganda, which are sometimes synonymous anyway. This explains why many Hoosiers instinctively rejected the harebrained idea from Gov. Mike Pence regarding his office's "Just IN" state-run website of "news." Too many Hoosiers don't trust Pence. Even the ones who voted him into office may have

paused to think about Just IN and say, "HMMMMMM." What was Pence thinking? Obviously, he was thinking he could get away with it, and with little or no backlash. Or else he wouldn't have launched it so boldly and publicly. Or, if we give Pence the benefit of the doubt, he has the most clueless staff of advisors in the state. Surely, in one of the meetings held before the site's pre-launch press release, someone whispered to Pence, "Excuse me, sir, but this idea reeks of a state-run publication in a communist country." Or hopefully (but not realistically), someone intuitively blurted out, "Governor, are you flippin NUTS?!" But I doubt it. Apparently, no one gave any pushback at all to the idea regardless of the political and ideological boundaries it pushed against, if not trampled over. Not only from within this state, but from across the country. Many national publications slammed the proposed new site, in theory alone, including The Atlantic, which ran this clever headline: "Pravda on the Plains: Indiana's New Propaganda Machine." ❖

James Antle III, Daily Caller:

Indiana Gov. Mike Pence opened the week by launching a government-run state news service. Now we know why: he needs somebody to sell his "conservative" version of government-run health care. If you think I'm being harsh, Wednesday's White House press briefing featured a shout-out to Pence for agreeing to Obamacare's Medicaid expansion. "We commend Gov. Pence," President Obama's deputy press secretary said, a kiss of death for the Republican's 2016 presidential hopes. That's not how Pence sees it, of course. He is touting his Medicaid cave as free-market, conservative reform. It's an argument he's been previewing long before his Medicaid cave became official. "Reforming traditional Medicaid through this kind of market-based, consumer-driven approach is essential to creating better health outcomes and curbing the dramatic growth in Medicaid spending," Pence vowed, according to the Indianapolis Star. Conservative buzzwords aside — "market-based, consumer-driven" — this is an expansion of Medicaid. It will lead to more people receiving government health care, at federal taxpayer expense in the short-term and likely at Indiana taxpayer expense in the long-term. Sure, the Obama administration graciously allowed Pence to incorporate a few conservative reforms. Some beneficiaries will have to toss some dough into health savings accounts, for example. Huffington Post described it as "the biggest departure from traditional, government-run Medicaid yet." But the Medicare prescription-drug benefit contained some free-market elements too. Some conservative ideas were folded into No Child Left Behind. While in Congress, Pence was among the few Republicans to defy President Bush and vote against them both. Why? Because they made the federal government bigger. Pence's Obamacare surrender is the real story. ❖

Pence urges ed funding flex

WASHINGTON - Gov. Mike Pence urged Congress on Wednesday to give states flexibility to innovate on education, the way he said Indiana is doing with vouchers, charter schools and vocational education (Gannett News Service). Pence testified before a House panel that will be rewriting federal education policy this year. "Think of resources, not red tape," the Indiana Republican said. "To the extent that this Congress can give states like Indiana more freedom, more flexibility to innovate, our children, our states and our people will be the beneficiaries." When Pence served in the House, he was one of a minority of lawmakers who opposed No Child Left Behind, a law passed in 2001 that required annual testing of students and set penalties for states and schools that don't improve. Republicans, who control both chambers of Congress, want fewer strings attached to the federal education dollars flowing to states. But Democrats say there still needs to be accountability, particularly to ensure that minority students aren't ignored.



McIntosh, Club likes Sen. Coat

WASHINGTON - The fiscally conservative Club for Growth appears unlikely to support a challenge to Sen. Dan Coats, R-Ind., in the 2016 primary election (Fort Wayne Journal Gazette). Club President David McIntosh said Tuesday that Coats is a "longtime political friend and ally," according to a report by The Hill. McIntosh also said he had not heard "of a race materializing" against Coats in the GOP primary, The Hill reported. McIntosh made his remarks at a Tuesday breakfast in Washington sponsored by the Christian Science Monitor. "Senator

Coats has known David McIntosh for many years and considers him a good friend," Matt Lahr, communications director for Coats, said in an email to Political Notebook. "They served together in Congress and have been political allies on numerous important issues. The senator admires the character and leadership David has demonstrated throughout his career." Club for Growth, then headed by former Hoosier congressman Chris Chocola, helped Richard Mourdock defeat six-term Sen. Richard Lugar in the 2012 Republican primary election in Indiana. Mourdock, the state treasurer at the time, lost to Democratic Rep. Joe Donnelly in the general election.

Wayne trustee takes on Henry

FORT WAYNE - The primary race for Fort Wayne's top executive position continues to grow (Fort Wayne Journal Gazette). Wayne Township Trustee Rick Stevenson, a Democrat, announced his mayoral campaign Wednesday at the Allen County Election Board. The Fort Wayne mayoral primary is one of the most highly populated races with eight candidates. In the Democratic primary, Stevenson faces Mayor Tom Henry, as well as challengers Tom Cook, David Roach and John Roberson. Running for mayor on the Republican ticket are Fort Wayne City Councilman Mitch Harper, R-4th, as well as Frederick Osheskie and Bill Collins.

Donnelly to vote for Carter

WASHINGTON - Sen. Joe Donnelly, D-Ind., announced Wednesday that he will vote in favor of confirming Ashton Carter as defense secretary (Fort Wayne Journal Gazette). Donnelly made his announcement after questioning Carter during his confirmation hearing by the Senate Armed Forces Committee, of which

Donnelly is a member. Donnelly said in a statement that Carter "has proven himself dedicated to our national security through his decades of work in the Pentagon and on military policy. I heard from him today a commitment to address the issues important to Indiana and our nation: specifically, an acknowledgement of the critical role of our National Guard, the need to address the scourge of military suicide, and an unrelenting dedication to stopping (the Islamic State) in its tracks. I will be supporting his nomination because I believe he will offer strong, straightforward leadership to our nation's Armed Forces."

Betty Knight Smith dies at age 83

EVANSVILLE - Betty Knight Smith, a Democrat who parlayed a no-frills style and a passion for helping others into nine local election victories, has died. She was 83 (Evansville Courier & Press). In recent years, Smith had been a resident of Good Samaritan Nursing Home in Evansville, where she died Wednesday morning. Long known as an influential figure in Democratic Party circles, Smith's time in local government included 13 years on the Evansville City Council and four years on the Vanderburgh County Council, plus eight years each as county clerk and county recorder. Smith never lost an election.

Corruption probe in Randolph County

WINCHESTER - The State Board of Accounts reportedly has found violations of laws and regulations by a couple of Randolph County employees and two former chiefs at the Modoc Volunteer Fire Department. The Indiana attorney general's office has demanded that an ex-Modoc fire chief repay the fire department. Another ex-chief already has done so. Meanwhile, The Star Press has learned that a state field examiner is scheduled to testify next month before a Randolph County grand jury.