



## Medicaid: Billion dollar questions

Pence ultimatum to Sebelius could put billions of federal dollars in jeopardy in a scenario we've faced before

By **BRIAN A. HOWEY**

INDIANAPOLIS – When it comes to billion dollar blunders, Indiana is no stranger.

As the debate over whether Indiana should expand its Medicaid program to cover the "working poor" - those families at 133% of the poverty level - got underway on Wednesday, there were hints of ideology given the unpopularity of the Affordable Care Act, or Obamacare. But what is at stake is potential billions of federal dollars that would help fund that expansion.

The Medicaid debate came as Gov. Mike Pence - parting ways with GOP colleagues in Michigan and Ohio - issued an ultimatum to Health and Human Services Secretary Kathleen Sebelius.

Pence said last week that he has ruled out expanding Medicaid under the federal health care law unless Indiana gets approval to use its Healthy Indiana Plan savings accounts for the expansion. "It was important to me that



we do fully fund Medicaid, but we did not fund a Medicaid expansion, nor do I think that under the current framework for Medicaid that it would be advisable for Indiana to do that," Pence said last week.

On Wednesday, he reiterated that stance, with his office saying the governor "flatly refused to expand the traditional Medicaid program in Indiana."

In a letter to Sebelius, Pence requested federal approval to use the innovative Healthy Indiana Program (HIP) to serve an expanded Medicaid population. Pence cited

**Continued on page 3**

## Guns and immigration

By **MARK SCHOEFF JR.**

WASHINGTON - President Barack Obama tapped the emotional core of the gun debate during his State of the Union address, urging Congress to act quickly on stricter controls and drawing skepticism from Indiana Republicans.

Obama's comments about another volatile issue - immigration - were more tailored to appeal to the GOP, as he emphasized border security, "earned citizenship" and an improved legal immigration system.

On this topic, the presi-



**"Changing Indiana's primary date will require input beyond our Statehouse leaders."**

- Indiana Republican Chairman Eric Holcomb on moving the presidential primary date (story on page 10)



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dent may have a better shot at winning over Hoosier lawmakers.

It took Obama nearly an hour to get around to guns in his speech before Congress. When he did, he generated more applause and energy than in his previous several thousand words.

Invoking recent deadly mass shootings, he asserted that a majority of Americans support strengthened background checks for gun sales and that police chiefs want to "get weapons of war and massive ammunition magazines off our streets."

"Each of these proposals deserves a vote in Congress," Obama said. "The families of Newtown deserve a vote. The families of Aurora deserve a vote."

**The entreaty did** not move Hoosier Republicans.

"What he was talking about [Tuesday] night I know wouldn't have stopped Sandy Hook," said Rep. Todd Rokita, R-4th CD, said in reference to the December shootings at the Connecticut elementary school.

Rep. Marlin Stutzman, R-3rd CD, worries that Obama's approach would curb constitutional rights.

"Let's not punish [gun owners] because of a few crazies who have committed these heinous acts in a couple places around the country," said Stutzman, who has introduced a measure that would allow gun-permit holders to take their weapons into other states that also have concealed-carry laws.

The GOP message the day after Obama's speech was to tread carefully on gun control.

"I'm going to do everything I can to ensure people's Second Amendment rights are not undermined by ill-conceived or hastily assembled legislation," said Rep. Todd Young, R-9th CD.

While Obama pushes for stronger gun laws, Democratic Sen. Joe Donnelly acknowledged that the skepticism of House Republicans will

limit what kind of gun controls can be put in place. He said that enhanced background checks have the best chance to draw bipartisan support.

"My focus is on what we can pass that can make a difference... in providing additional protection for our children and families," Donnelly said in a conference call with reporters on Wednesday.

**Hoosier Republicans** want the discussion to include an exploration of mental health care as well as gang and drug violence and the effect of movies and video games.

"The problem is the individual," said Rep. Susan Brooks, R-5th CD. "A gun is the tool they choose to use. We have to look deeper than what the weapon is."

A former U.S. attorney and deputy mayor of Indianapolis, Brooks said that more attention should be paid to initiatives that bring together law enforcement and members of the community to work on crime prevention and economic development in struggling neighborhoods.

"These are holistic approaches, far more holistic than what we are talking about now," Brooks said.

Rep. Jackie Walorski, R-2nd CD, said that the best solutions to gun violence likely will percolate up from local government, citing advances South Bend has made in school security.

"As communities wrestle with what works for them, we'll probably see some creative ideas emerge," Walorski said.

**Rep. Luke Messer**, R-6th CD, said that improving care for the mentally ill is an area that could gain wide support.

"I would be open to the consideration of additional funding there," Messer said. "I speak to no one who does not believe that there's a role for government in protecting those who cannot protect themselves."

Messer is disappointed in the approach that Obama is taking.



"He has chosen the most divisive topics, including a gun ban that now virtually everyone agrees will not pass," Messer said.

Obama may be launching immigration reform on more solid footing, especially with his emphasis on border fortification.

**"If we address the border security** issue early, I think people like myself would be willing to look at the options for the 11 million people who are here [illegally]," said Rep. Larry Bucshon, R-8th CD.

Another area that Obama mentioned – reforming the legal immigration system and making it easier for highly skilled immigrants to stay in the country – also resonates with Republicans.

In Rokita's district, that would help keep in Indiana – or at least in the United States – international students earning science, technology, engineering and math (STEM) degrees at Purdue University and other schools.

"There's some very good common ground on the STEM side of immigration," Rokita said.

But like other Hoosier Republicans, Rokita wants to ensure that illegal immigrants pay a price for breaking the law before becoming legal residents.

"A crime was committed, and the punishment has to fit the crime," Rokita said. "The issue is: What is that punishment?"

Stutzman is cautiously optimistic about Obama's

immigration proposals.

"I didn't sense any amnesty program from the president [Tuesday] night," Stutzman said. "But we'll see what his actions are moving forward."

How Republicans handle the immigration debate may determine whether the party can make inroads with Latino voters, who are rejecting the GOP as they become a more influential voting bloc.

"Immigration reform can be part of the platform to help us invite people from other countries to support our party and become part of our party once they become legal citizens," Brooks said.

Bucshon said that the GOP needs to expand its appeal. "Conservative policies are good for all of our citizens," Bucshon said. "We need to show we're compassionate. We want legal immigration."

**As a U.S. attorney, Brooks** presided over many swearing-in ceremonies for new Americans. She calls those events among the most moving of her political career. They're part of her motivation to streamline the legal immigration system.

"I want to give opportunities for more people to go through that process," Brooks said.

Getting to that outcome will be a difficult political journey for Brooks and her colleagues. ❖

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

## Medicaid, from page 1

fundamental flaws in the traditional Medicaid program and announced that Indiana will not expand the program.

"Medicaid is broken," said Pence. "In Indiana, an expansion of traditional Medicaid under the Affordable Care Act would cost our taxpayers upwards of \$2 billion over the next seven years."

Bills in the Indiana House and Senate advanced on Wednesday that paves the way for HIP to be the framework of services.

Some Republicans favor using the Healthy Indiana Program, which currently provides health coverage for about 40,000 Hoosiers, though there are another 46,000 people on the waiting list, the Evansville Courier & Press reported today.

But House Public Health Committee Chairman Ed

Clere, R-New Albany, sees the need to expand coverage to 400,000 people who meet the criteria of the working poor. "These are people who are doing what Republicans want them to do," Clere explained. "The father works in a factory. The mother is a retail clerk." Together, they might bring in \$40,000 to \$50,000 a year.

"If they have a major health issue, they face a financial disaster," Clere said. Or as Dr. Aaron E. Carroll of the Indiana University School of Medicine, told the committee, "The choice for many isn't between Medicaid and some





private insurance. The choice is between Medicaid and nothing." He added that the state would save \$335 million.

Clere cited the innovative Indiana health care programs - Hoosier Healthwise in 1995 and the Healthy Indiana Plan in 2008. He said HB1591 "takes the lessons of existing programs" and operates in a way that is "predictable and respectful of the Hoosier taxpayer." He said his proposal would reflect "Hoosier values" while ensuring that "everyone has skin in the game."

State Rep. Ed DeLaney, D-Indianapolis, noted the distinction between "traditional Medicaid" where most people will be there for life, and the people between 27% and 138% of poverty. "They're going to be in and out of the program," DeLaney said. "They may get a raise or a promotion and they'll go to the larger exchange."

DeLaney called the coming changes "dramatic" and will continue to change after sine die on April 29. "If we're going to have this expansion, we're going to have to be able to monitor it."

"There is nothing that says you look at the costs to the state," observed State Rep. Dave Frizzell.

The federal Affordable Care Act requires states to expand Medicaid eligibility to Americans earning up to 138 percent of the federal poverty level, which translates to \$14,856 for an individual or \$30,657 for a family of four.

A study for the Indiana Hospital Association by the University of Nebraska Medical Center's Center for Health Policy, shows that expanding Medicaid in Indiana would generate up to \$3.4 billion in new economic activity in the state. These funds could result in at least \$108 million in additional state and local tax revenue each year and would support more than 30,000 jobs through 2020.

As the NWI Times editorialized on Wednesday: There's a catch for states, though. Their share of the cost of this care would gradually increase to a maximum of 10 percent for 2020 and beyond.

According to the study, 406,000 uninsured Hoosiers would qualify for Medicaid if the guidelines were expanded. That would boost federal health care spending in Indiana by \$10.45 billion between 2014 and 2020 while costing the state \$503 million.

And Democrats were critical.

House Democratic Leader Scott Pelath, D-Michigan City, said Pence is making a mistake and needs to reconsider (Carden, NWI Times). "This is the best thing we could do for short-term job growth because it would bring thou-

sands of private-sector health care jobs to Indiana, and more importantly it would keep ... hundreds of thousands of residents from having that emergency-room physician, who is very expensive, be their first order of health care," Pelath said. State Sen. Karen Tallian, D-Ogden Dunes, whose proposal to expand Medicaid following federal rules was rejected on a party-line committee vote, said partisanship is hobbling expansion. "I think they want to claim we're holding the line on federal mandates, even if it requires shooting ourselves in the foot to do it," Tallian said.

The Indianapolis Business Journal reported today that the cost to the state of expanding through the HIP program is still unknown. "How do you know the fiscal impact of an expansion, but you don't know the fiscal impact of a HIP expansion?" asked Sen. Greg Taylor, D-Indianapolis.

Senate Health Chairwoman Pat Miller, R-Indianapolis, responded: "Sen. Taylor, I can't predict the future. What I can tell you is, I think Indiana has a better way to address this issue. I would like to try this as an alternative."

The Senate Public Health Committee passed Miller's HIP expansion bill 9-3.

## **Sewers, lunches and buses**

Rep. Clere is concerned that by not opting for the expansion, Indiana may be leaving billions of federal dollars on the table. And this is where Indiana history comes in.

Back in the early days of the Environmental Protection Agency (created under President Nixon) and his federal revenue sharing program, the federal government made billions of dollars available to states to correct its widespread combined sewer overflow problem. But many Indiana officials were philosophically opposed to taking federal money for that and, back in the 1950s and early 1960s, the school lunch program.

The decision on the sewer funding is manifesting in a \$10 billion problem Hoosier rate payers face today.

The EPA reports that combined sewer overflows (CSOs) are a problem for 772 communities nationwide, including 108 in Indiana, about 7% of the total. Of the 108 affected communities in Indiana.

According to the most recent available data, the average rate for customers of municipal sewer utilities using 5,000 gallons of water per month is \$37.28 (not including water or stormwater charges), an increase of approximately 20% over the last 4 years, according to the Indiana Office of Utility Consumer Counselor. The average rate for



**House Public Health Chairman Ed Clere introduces amendments to the Medicaid bill Wednesday on the House floor.**



an investor-owned sewer utility customer at the same usage is \$50.51 (an increase of approximately 17.5 percent since 2008).

The Consumer Counselor notes that the trend of rising rates for all types of wastewater utilities is expected to continue for the foreseeable future. In most cases, the costs for processing wastewater have outpaced the costs for processing drinking water.

This is a direct result of the decisions made three decades ago to forgo the federal funding.

Scott A. Miller, a CPA writing for H.J. Umbaugh & Associates, notes, "Communities that addressed sanitary sewer and stormwater separation experienced a burden on sewage rates and charges and will likely continue to do so well into the future. While some of these projects were funded with American Recovery and Reinvestment Act (2009 stimulus) dollars over the last few years, these grants are now gone, yet significant separation projects remain to be completed in communities all across the state."

Bloomington and Terre Haute in recent years have raised sewer rates 50% to meet federal compliance. In Terre Haute, the average household will see its monthly sewer bill increase from \$32 to \$37 the first year then to about \$43 the second year and \$49 the third year, according to figures provided by H.J. Umbaugh & Associates, the Terre Haute Tribune-Star reported.

"None of us hates anything more than raising rates, taxes," said Councilman George Azar, D-at large. "I don't see where we have any choice." Terre Haute Mayor Duke Bennett told the Tribune-Star, "We are mandated to do this." Failure to pass the rate hikes would open the door for a federal takeover of the city's sewage "long term control" plan, which could result in higher rates, he said.

On the school lunch program front, the question of "local pride" prevented many Indiana school corporations from taking federal money to fund the program. It was a mentality similar to some local Chamber of Commerces thwarting out-of-state and out-of-country corporations from coming to their communities.

"A lot of these guys came up through the Great Depression and they did it all on their own," said Gerry LaFollette, a long-time reporter for the Indianapolis Times. "They felt it was kind of an intrusion. It was mostly philosophical."

When former U.S. Sen. Dick Lugar was elected to the Indianapolis School Board in 1964, the biggest question facing it was whether IPS would participate in federal child nutrition programs. "The community pride at the time was that they had never taken federal aid," said Andy Fisher, an aide to the former senator. Lugar was the deciding vote in favor of Indianapolis participation in federal school feeding programs, but it later tagged him with a 4-3 defeat for board president.

Lugar also initiated the Shortridge Plan which voluntarily desegregated IPS, but it was quickly rescinded, prompting federal Judge S. Hugh Dillin to order a desegregation busing program that cost city taxpayers more than a billion dollars in transportation costs over the ensuing three decades.

## Access issues

While Indiana faces leaving federal dollars on the table if it doesn't expand, there are dilemmas if it does. "If you widen the doors to an auditorium, you don't increase the seats nor make it more comfortable. And so we can increase access to the insured but I think we still have a real problem with the current health system being incapable to take on a broader insured population," said Dr. Greg Larkin, commissioner of the Indiana State Department of Health (Indianapolis Business Journal). "Because I don't think necessarily, at least throughout the state, we have the capability that we wish we had. Our primary care physicians and extenders are limited, particularly in rural areas."

The University of Nebraska report for the Indiana Hospital Association indicates that by significantly decreasing the number of uninsured Hoosiers, individuals with private insurance would save \$236 and families would save \$677 in annual premiums beginning in 2014. "Expanding coverage in Indiana would benefit all Hoosiers," said Doug Leonard, president of IHA. "This report demonstrates the positive impact that extending coverage would bring to our state's economy and the overall health of our communities."

Coverage expansion bridges the gap for adults in poverty. If Indiana chooses not to expand, thousands of Hoosiers will go uninsured—unable to enroll in Medicaid and barred from getting tax credits to buy coverage in a health insurance exchange. Indiana hospitals provided nearly \$3 billion in uncompensated care in 2011. By not expanding coverage, hospitals may be forced to cut services due to the burden of treating patients who have no coverage.

The capacity dilemma is something the Nebraska study addressed, noting that up to 30,000 jobs could be created as the system expands to treat more people.

House Minority Leader Scott Pelath, D-Michigan City, wants to see state lawmakers discuss the possibility of Medicare expansion as the Indiana General Assembly crafts its biennial budget. "We all benefit from people not going to the emergency room," Pelath said Friday. "Middle-class workers cannot afford to keep sending people there as their first order of health care." ♦



## Gov. Pence sets aside his social issues advocacy

By MAUREEN HAYDEN

INDIANAPOLIS — As a U.S. congressman, Mike Pence made it perfectly clear how he felt about the need for a constitutional amendment to ban same-sex marriage.



He was a sponsor and advocate for the failed Federal Marriage Amendment, arguing that the U.S. constitution needed to define marriage as between a man and woman to protect the nation from “activist judges” willing to tear away at the fabric of society. (The fabric being the “traditional” family.)

In 2011, Pence was one of 82 House Republicans to co-sponsor a bill condemning the Obama administration’s decision to discontinue defending the federal Defense of Marriage Act.

Known as DOMA, it’s a federal law that refuses federal benefits to same-sex couples who are legally married. DOMA’s constitutionality is being challenged in a case before the U.S. Supreme Court.

As a gubernatorial candidate last year, Pence declared his support for the effort to amend Indiana’s state constitution to lock in a ban against same-sex marriage and civil unions.

But last week, Gov. Pence stayed deep in the background when GOP leaders in the Statehouse decided to ignore the strong pleas of amendment proponents by stalling a vote that would have moved the measure forward this year.

Their reasoning: It would be prudent to wait to see how the U.S. Supreme Court rules this summer on two related cases involving same-sex marriage bans.

**When questioned** about Pence’s role in the decision to kill the vote this session, Senate President David Long told reporters: “The governor has not weighed in on

this.”

Echoed House Speaker Brian Bosma: “Not in the least.”

**That may seem surprising.** Some of Pence’s strongest allies in the fight against same-sex marriage (including the American Family Association) have been pushing hard for Indiana lawmakers to vote on the amendment this session.

They argued that such a vote would send a strong message to the Supreme Court justices and affect their decision.

That’s an argument that Long and Bosma, both self-proclaimed supporters of the amendment, discounted as “not credible.”

Pence may believe, as Long and Bosma reasoned, that waiting another year wouldn’t matter. If the court clears the way, the Indiana General Assembly could vote on the amendment in 2014 and – and as required by Indiana law -- put the question to voters on the November 2014 ballot.

For now, Pence has set aside his past role as advocate for the social conservative causes, and is trying to remake his image.

**He’s sticking with the script** he rolled out during the campaign: Talking about his tax cut proposal and his jobs- and education-focused “Roadmap for Indiana.” He’s resisted veering off that roadmap, despite efforts by reporters to draw him out on other issues.

During an informal meeting with Statehouse reporters last week, Pence made clear he won’t be weighing in any time soon on a number of issues. There’s a broad range of legislation he “won’t have anything to say about,” he said, until it reaches his desk, for the required

signature to become law — or the veto to kill it. ❖



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## Obama prods Congress for votes on issues

By **BRIAN A. HOWEY**

INDIANAPOLIS – “They deserve a vote.”

President Obama used that line, and repeated it several times during the first State of the Union address of his second term on Tuesday night.

Essentially, the President was summoning the various sides to come to a roll call on gun violence in what was a dramatic finish to a speech lasting more than an hour. But he was also seeking votes on immigration, job creation and raising the minimum wage.

Commentators saw the President, less than four months after his reelection victory, coming off as “emboldened” and “aggressive.”

Repeating “they deserve a vote,” Obama clicked off a litany of cities that were scenes of massacres in recent years, but he said of Sandy Hook Elementary School in Newtown, Conn., “This time is different” while calling for legislation that would require more thorough background checks and smaller gun magazine clips.

Of Hadiya Pendleton, the south-side Chicago teen who was gunned down just days after she attended Obama’s inaugural, the President noted “she was a majorette” and everyone thought they were her best friend.

“Just three weeks ago, she was here, in Washington, with her classmates, performing for her country at my inauguration. And a week later, she was shot and killed in a Chicago park after school, just a mile away from my house. Hadiya’s parents, Nate and Cleo, are in this chamber tonight, along with more than two dozen Americans whose lives have been torn apart by gun violence. They deserve a vote.”

“**If you want to vote no**, that’s your choice,” Obama said. “But these proposals deserve a vote, because in the two months since Newtown, more than a thousand birthdays, graduations, anniversaries have been stolen from our lives by a bullet from a gun.”

“I know this is not the first time this country has debated how to reduce gun violence, but this time is different,” Obama said. “Overwhelming majorities of Americans – Americans who believe in the Second Amendment – have come together around common sense reform, like background checks that will make it harder for criminals to get

their hands on a gun.”

The backdrop to this speech was the gun battle between police and former Los Angeles cop Christopher Dorner in Big Bear, Calif., who apparently was killed in the shootout. That story knocked the Obama speech off the top of newscasts both before and after the address, but as NBC anchorman Brian Williams noted, “This is ... part of the backdrop of gun violence and public violence that kind of formed the backdrop for the president to come into that chamber tonight. Someone mentioned on social media tonight that immediately after the speech, we weren’t talking about the economy. We were talking about that last emotional note.”

**As most presidents do, Obama** made the case that the nation is strong. “We have cleared away the rubble of crisis, and we can say with renewed confidence that the state of our union is strong,” Obama said.

He framed his proposal to boost the minimum



wage by pointing out that even his GOP presidential rival Mitt Romney liked the idea, one of two references to the man he defeated last November. “Here’s an idea that Gov. Romney and I actually agreed on last year: Let’s tie the minimum wage to the cost of living, so that it finally becomes a wage you can live on.”

Obama announced a 34,000 American troop draw-down from Afghanistan within a year. And he had a sharp rebuke for North Korea, which conducted a nuclear test just hours before his remarks, saying, “Provocations of the sort we saw last night will only isolate them further.”

**The President implored** lawmakers to break through partisan logjams, take up job creation programs that would rebuild bridges, adding that “the greatest nation on Earth cannot keep conducting its business by drifting from one manufactured crisis to the next. Americans don’t expect government to solve every problem. They do expect us to forge reasonable compromise where we can.”

Among the other initiatives President Obama



proposed: A \$1 billion plan to create 15 “manufacturing institutes” that would bring together businesses, universities and the government. If Congress opposes the initiative, Obama said he plans to use his presidential powers to create three institutes on his own: Creation of an “energy security trust” that would use revenue from federal oil and gas leases to support development of clean energy technologies such as biofuels and natural gas; doubling of renewable energy in the U.S. from wind, solar and geothermal sources by 2020; and launching negotiations on a free trade agreement between the U.S. and European Union.

Florida U.S. Sen. Marco Rubio offered the Republican response, saying he hoped President Obama would “abandon his obsession with raising taxes” and pursue policies to promote economic growth. “Presidents in both parties, from John F. Kennedy to Ronald Reagan, have known that our free-enterprise economy is the source of our middle-class prosperity. But President Obama? He believes it’s the cause of our problems.”



**“I still live in the same working class neighborhood I grew up in,”** Rubio said. “My neighbors aren’t millionaires. They’re retirees who depend on Social Security and Medicare. They’re workers who have to get up early tomorrow morning and go to work to pay the bills.” He added, “They’re immigrants who came here because they were stuck in poverty in countries where the government dominated the economy.” Rubio, though, focused as Obama did on the economy. He went on to say the tax increases Obama and Democrats are proposing will “hurt middle class families.” “It will cost them their raises. It will cost them their benefits. It will even cost some of them their jobs,” Rubio said.

U.S. Sen. Rand Paul of Kentucky gave a Tea Party response, saying, “We will not let the liberals tread on the Second Amendment. We cannot and will not allow any president to act as if he were a king.”

Reaction from Hoosier lawmakers varied. U.S. Rep. André Carson said the speech “aptly reflected the priorities of a nation ready to take on the many challenges before us and the apprehensions of an American people who are weary of the political strife in Washington. In the coming months, we must avert yet another economic crisis by replacing sequestration with measures that create jobs, grow the economy, and reduce the deficit.”

Republican U.S. Rep. Todd Young observed, “Tonight President Obama called for a ‘smarter government

that sets priorities.’ While I can agree with this sentiment, it’s striking that this speech was devoid of many specific priorities and proposals. As the House begins to comprehensively reform the tax code this year, I hope the President will follow through and join us.”

**Freshman U.S. Rep. Susan Brooks** noted, “While I echo President Obama’s call for increased bipartisanship, it is my sincere hope that moving forward his actions will finally match his rhetoric. We do need to work together to create jobs, cut spending and lower our crippling national debt. But doing so will require real leadership from the President and Senate Democrats.”

Her freshman colleague, U.S. Rep. Jackie Walorski, added, “House Republicans are ready to get to work on common sense reforms to reduce our deficit and wasteful government spending in this Congress. Sequestration triggers devastating mandatory cuts, half from domestic programs and half from the military. This is a reckless strategy, and must be replaced with common sense reforms.”

Another freshman, U.S. Rep. Luke Messer, said he was encouraged by the President’s focus on jobs, but added he was “discouraged by his lack of specifics on spending. Both topics are the elephants in the room for our nation, and we need leadership on both of them. It is time the President joined Congress in working on both of these crucial issues.”

**U.S. Rep. Todd Rokita** cited “empty promises” from Obama. The Republican said, “The President’s speech fails our founding ideals in two fundamental ways. First, he continues to offer false solutions to the terrible plague of gun violence in our country. Taking away law-abiding Americans’ 2nd Amendment rights will make no one safer. It will only make the situation worse, as his ideas have done in other countries. But the most disturbing issue is the President’s continued refusal to seriously address the crushing debt facing our nation.”

U.S. Rep. Marlin Stutzman observed, “His agenda, from raising taxes to universal health care to restricting the right to keep and bear arms expands Washington at the expense of Hoosiers. Unfortunately, there was no indication tonight that the President is willing to change course. Americans can ill afford the same failed policies of borrowing, spending and bailouts of the past six years.” ❖





## Lugar warns of toxic media on politics

By **BRIAN A. HOWEY**

INDIANAPOLIS – Former U.S. Sen. Dick Lugar told a Duke University audience Tuesday that there is a growing perception of an America that is “inextricably divided in ways that we were not several decades ago.”

In doing so, he said that President Obama is “perfectly situated for leading a campaign to reduce partisanship. He does not have to face election again, he is a unitary actor, and he enjoys overwhelming approval from his base.”

Lugar’s remarks prepared for delivery at the Sanford School of Public Policy came on the same day of President Obama’s fifth State of the Union address and the first of his second term.

Lugar served in the Senate for 36 years before he was defeated in the May 2012 primary by Indiana Treasurer Richard Mourdock, the first phase of what was to become a \$51 million Senate race, by far the most expensive in Indiana history. Democrat Sen. Joe Donnelly defeated Mourdock last November.

“Across a wide range of domestic and foreign issues, there is a common perception that Americans are inextricably divided in ways that we were not several decades ago,” Lugar explained. “I was struck by a report in the Washington Post the weekend of inauguration that recounted how workers at a factory in the small town of Fremont, Ohio, had segregated themselves ideologically to the point that the facility’s two break rooms were divided between Obama’s supporters and detractors.”

**Lugar said that the U.S. system** is “producing fewer leaders who are placing governance above ideological purity. This has several causes, including Supreme Court decisions that allowed non-attributable and unlimited political expenditures and redistricting processes that have created many uncompetitive congressional districts that reward extremism in both parties.”

Super PACS contributed to Lugar’s defeat and represented the lion’s share of the money that poured into the 2012 Senate race in Indiana. Outside groups spent \$32,844,052, according to the website Open Secrets.

“Perhaps the most potent force driving partisanship is the rise of a massive industry that makes money off of political discord,” Lugar explained. “This industry encompasses cable news networks, talk radio shows, partisan

think tanks, direct mail fundraisers, innumerable websites and blogs, social media, and gadfly candidates and commentators. Many of these entities have a deep economic stake in perpetuating political conflict. They are successfully marketing and monetizing partisan outrage. In some cases, these partisan practitioners are true believers whose economic interests coincide with their political views. But in other cases, they are just executing a business model predicated on appealing to the prejudices and fears of their adherents.”

**Lugar said this industry** has expanded in conjunction with the development of communication technology. “As news sources have proliferated and consumers have moved away from newspapers and broadcast television, the economic model of traditional journalism, as well as its standards, has become increasingly difficult to sustain,” he said.

“Outside the constraints of responsible reporting, entrepreneurs have attempted to capture audiences by peddling sensationalism, conspiracy theories, and an ‘us-versus-them’ mentality.”

He said this isn’t new, citing the Yellow Journalism era of William Randolph Hearst. “But before the dawn of the internet, reaching a significant audience was an

extremely expensive endeavor,” he explained. “The vast majority of Americans got their news from network television, their local newspaper, and a few dozen national newspapers and wire services. Almost all of these sources had a stake in reaching an audience that included people from the entire political spectrum.”

“Hyperbole in the media is backed up by the enormous independent expenditures of super-pacs and wealthy individuals,” Lugar said. “Meanwhile, think tanks with overtly partisan aims develop intellectual justifications for the perspectives of their side. The cumulative result is that extremism has a much greater chance of being rewarded electorally than it did even a decade ago, and good governance has suffered.” Lugar then raised a question: “Under these new conditions, how do we establish greater political civility, foster more meaningful policy debates, and incentivize public officials to put governance first?”

**“The actor who could** have the greatest short-term impact is the President, himself,” he said. “President Obama is perfectly situated for leading a campaign to reduce partisanship. He does not have to face election again, he is a unitary actor, and he enjoys overwhelming approval from his base.”

Lugar will present the Patrick O’Meara International Lecture at 4 p.m. Monday, Feb. 18 at Indiana University’s Whittenberger Auditorium of the Indiana Memorial Union. ❖





## Should Indiana move up presidential primary?

By **BRIAN A. HOWEY**

INDIANAPOLIS – In April 2008, Hillary Clinton made a campaign appearance at the Wigwam in Anderson. About two hours before she took the stage, a huge line of thousands of people encircled the historic basketball gym, waiting to get in.

A few weeks later, just hours before this historic Indiana presidential primary, more than 25,000 people jammed the American Legion Mall in downtown Indianapolis to hear Barack Obama on a rainy night.

By the time of Obama's historic victory in Indiana that November, there were about 150 presidential-level appearances by Obama and Clinton, by John McCain, Sarah Palin, Michelle Obama, and Bill and Chelsea Clinton. The Hoosier political junkies had not seen anything like it since the 1968 primary involving Robert F. Kennedy, Eugene McCarthy and Gov. Roger Branigin.

Earlier this month, Craig Dunn, Howard County Republican chairman, told me, "We've got to move up the Indiana presidential primary."

The reason is clear: Millions of dollars from the Obama and Clinton campaigns spilled into the state. They opened close to 50 regional offices. More than 200,000 new voters were registered. Primary turnout went from 21% in 2004 to 39% in 2008. Obama spent about \$1 million in the week before the primary. Slate Magazine totaled up the Indiana experience: Hillary Clinton, 37 stops in the state, 14 days spent (2.64 stops per day); Barack Obama, 25 stops in the state, 16 days spent (1.56 stops per day).

**The 2008 presidential** race totaled \$2.4 billion, according to the Center for Responsive Politics. Obama and McCain spent more than \$1 billion together.

What is keeping Indiana from moving up the presidential primary calendar? The short answer is the Indiana General Assembly, where numerous legislative leaders have balked over the years at having to campaign while in

session. Yet, a legislator facing a primary challenge cannot raise money during the session, and is severely cramped from a scheduling standpoint after the session ends.

**So here's a solution:** Every four years, move the start of the General Assembly from the first week in January to the second week in February. Or just make that change for all sessions. That would give a new gubernatorial administration an extra month to staff up, and develop a budget along with a more comprehensive legislative agenda.

There's a law requiring the General Assembly to begin that first week in January. Change it. The legislature could convene on Feb. 15 and adjourn before Memorial Day. The assembly is no longer dominated by farmers, as it was decades ago. This would allow all the primary campaign to take place before convening.

Another law concerning presidential ballot petition signatures could be changed to allow the signature submission period to begin in November or December of the previous year.

Indiana Democratic Chairman Dan Parker told HPI, "We benefitted greatly from 2008. One of the major aspects was it improves the relevancy of the party at a time when it is deteriorating."

"I think it's a conversation worth having," Parker added.

He is not alone.

Former Gov. Mitch Daniels suggested in 2009 that Indiana move its presidential primary to the same day as New Hampshire's, where it originally stood. A tax on all campaign related spending could be used to finance the extra election. Currently the costs of the primary

are the responsibility of the counties.

**"I hope there'd be more** now that we've actually seen how much fun it is," Daniels said. "I hadn't imagined – and no one did – that we'd actually have such a competitive, meaningful contest here. Now we've seen what it's like. Hoosiers enjoyed it. I wish it were an every-time affair, so I think it's an idea we should still talk about."

Former governor and U.S. Sen. Evan Bayh agreed with Daniels. "He's exactly right, we ought to find a way to work together to make sure our voices are heard more often than every four decades," Bayh said. "These national folks fly over our state and they occasionally stop to pick up some money. They might look out the window and say, 'I wonder who those people are down there?' Now they know."





Indiana Republican Chairman Eric Holcomb also wants the conversation, and called Indiana “a piece of the puzzle” as the Republican National Committee eyes the 2016 schedule when it meets in Los Angeles this spring.

“**Changing Indiana’s primary** date will require input beyond our Statehouse leaders,” said Holcomb, who confirmed this past week he’ll seek another term as chair. “It’s a delicate balance between a desire to have a larger voice in the national debate and ensuring we meet all the applicable rules put forth by the RNC. The last thing we want is our delegates to lose their influence at future national conventions. I look forward to joining the conversation when it’s prudent here at home and sharing our thoughts with my cohorts serving on the Republican National Committee.”

There will be an array of proposals, including regional primaries that could have, for instance, an Indiana

primary the same day as Ohio, Michigan, Illinois and Wisconsin.

Indiana reverted to form in 2012, with major candidates and the nominees swooping in to raise money. The press had virtually no access to them. A fundraising visit by GOP vice presidential nominee Paul Ryan was arranged so the press couldn’t even enter the building. It was a far cry from 2008 when Obama conducted five press conferences here, and both he and Clinton stopped by local TV affiliate news studios.

**But the key reasons** are still voter participation and money. The exercise is good for our citizens, and good for our economy. And Indiana is more like the rest of America than Iowa or New Hampshire.

Let’s have this conversation and be prepared to legislate change in 2014. ❖

## Davis kills Sunday alcohol sales bill

INDIANAPOLIS - House Public Policy Committee Chairman Bill David, R-Portland, has decided not to give the Sunday alcohol sales bill a vote on whether to advance it to the full House floor. His decision comes after he held the first-ever House committee hearing on the topic. A group called Hoosiers for Beverage Choices, which argues that Indiana loses \$10 million in tax revenue each year by sending Sunday alcohol buyers into other states, is asking

its members to contact their legislators to urge action on the issue. “We are very disappointed that Chairman Davis has apparently refused to listen to Hoosiers who want greater shopping convenience, expanded buying choices and more competitive pricing,” said Grant Monahan, president of the Indiana Retail Council.



“We need to put Hoosiers first instead of special interests.”

**PRESCRIPTION DRUG BILL ADVANCES:** State Sen. Ron Grooms’ (R-Jeffersonville) bill to provide greater oversight for prescribing of controlled substances passed the Senate Committee on Health and Provider Services. Controlled substances include most narcotic pain relievers and commonly-abused drugs. Senate Bill 246 would oversee licensed physicians and other prescribers who prescribe, dispense or administer controlled substances. The bill would also task the Medical Licensing Board with

developing standards for the safe and medically appropriate prescribing of these drugs. “Prescription drug abuse is a growing threat to our country and state,” Grooms said, “Pain medications like oxycodone and hydrocodone are being over prescribed at an alarming rate and with little or no oversight. This over-prescription is contributing to addiction, lethal overdose and the illegal sale of these drugs to non-prescribed individuals.” Grooms said his bill is in part a response to the rise of pain management clinics that prescribe medications to profit from people’s addictions rather than treat actual medical conditions. The Medical Licensing Board has recently suspended the licenses of two pain management clinics in Indiana – one in Fort Wayne and one in Grooms’ hometown of Jeffersonville – for dangerous prescribing practices. “My bill will not affect the legitimate and responsible prescribing of pain medications,” Grooms said. “But it will make sure Indiana’s laws are in line with neighboring states so that we do not become a magnet for over-prescribers who locate in Indiana and contribute to drug misuse and abuse.” According to the National Survey on Drug Use and Health, Indiana currently ranks fifth in the nation for abuse of prescription pain killers. SB 246 passed out of committee by a vote of 10-0 and now moves to the full Senate for further consideration.

**WAYS & MEANS PASSES MASS TRANSIT:** The House Ways and Means Committee passed the Central Indiana Mass Transit Plan Wednesday (WISH-TV). Hundreds of Hoosiers gathering to participate in a Transit Day rally at the Statehouse witnessed the committee, which voted 20-2 in favor of House Bill 1011. The bill seeks a public referendum for voters to decide on future funding of mass transit in central Indiana. “Having the support from members of the House Ways and Means Committee is crucial to this de-



bate on the sustainability of expanded mass transit in central Indiana," said Ron Gifford, executive director of Indy Connect Now, in a press release. "Fiscal responsibility was one of our top priorities when developing the Indy Connect plan, and our financial model is built on conservative assumptions about revenues and expenses. The bipartisan support from committee members today demonstrates that these legislators believe we have presented a credible and sustainable transit plan."

**PENCE TAX CUT BILL GETS SUPPORT:** Supporters of Governor Pence's tax cut plan are making a final pitch for the idea before House Republicans roll out their budget. The budget-writing Ways and Means Committee was expected to announce its spending plan this week and vote on it on Monday (Indiana Public Media). A parade of citizens and business owners filled the committee's final preliminary hearing, to echo Pence's arguments for slashing Indiana's income tax by 10 percent. Gary Hobbs with Indianapolis development group BWI says entrepreneurs are risk-takers by definition. He predicts they wouldn't pocket the tax cut, but would use it to expand their businesses, thus creating jobs and growing the economy. Other witnesses told the committee a few hundred dollars more in their take-home pay would mean significant relief to their household budgets.

**SCHNEIDER'S COMMON CORE BILL ADVANCES:** A proposal for statewide hearings on whether Indiana should keep or modify the Common Core State Standards national education benchmarks was approved Wednesday by a legislative committee (Associated Press). The bill's sponsor had originally sought to withdraw Indiana from the set of uniform math and reading standards approved by the State Board of Education in 2010 but scaled that back with a proposal that would suspend Common Core implementation until the board conducts a new evaluation. Sen. Scott Schneider, R-Indianapolis, said he believed those standards needed a thorough review that wasn't done before they were first adopted. Schneider maintains the previous state benchmarks were better and that the national initiative has led to a loss of local involvement over school standards. The bill would allow the state board to hold public hearings in each of Indiana's nine congressional districts, after which it could use the Common Core standards in setting new school requirements. "If Indiana goes through the process of public input from parties in Indiana and that's the will of the board, then so be it," Schneider said. "But we didn't get that opportunity before because the process was accelerated." The state Senate's education committee voted 7-4 to advance the bill to the full Senate.

**SCHOOL DISCIPLINE BILL HEARD:** Advocates for

children with special needs are backing legislation aimed at reducing the use of physical restraints and locked isolation rooms to discipline students. The bill, authored by Republican state Sen. Randy Head of Logansport, would require all schools in Indiana to develop seclusion and restraint policies that meet certain standards and to train staff in their appropriate use. Senate Bill 345 would also require schools to document and report to both parents and the state when those techniques are used.

**SPEEDWAY BILL PASSES PANEL:** The Indiana Senate Appropriations Committee this morning unanimously approved a bill to provide tax support for improvements at the Indianapolis Motor Speedway (Indianapolis Star). The proposal, authored by Sen. Mike Young, a Republican whose district includes the Speedway, would set aside up to \$5 million annually of the tax revenue generated in the district for 20 years. The money would help the Speedway pay off bonds that would finance up to \$100 million in improvements at the iconic facility at 16th Street and Georgetown Road. Those include lights for evening events and changes to make the facility more handicap-accessible to satisfy an agreement recently reached with the federal government.

**OUT-STATE COLLEGE VOTING BILL DIES:** A provision to take the right to vote in Indiana away from out-of-state college students died Wednesday when a House committee voted to send the issue to a summer committee for study (Indianapolis Star). Rep. Peggy Mayfield, R-Martinsville, offered the amendment to her controversial House Bill 1311 so that other sections so the bill could move forward. Opponents of the voting measure say it would disenfranchise students from voting in Indiana and could send the message they aren't welcome in the state. Chaim Julian, a deputy clerk in Bloomington, said the bill was wrong for Hoosier students. "How do you know a student is not going to come to Bloomington, fall in love and stay?" he asked. "Voting is a right, we should not have to prove our right to vote."

**WELFARE DRUG TESTING BILL ADVANCES:** Some Indiana welfare recipients would face drug testing under a bill advancing in the state Legislature (Indianapolis Star). A House committee voted 9-4 along party lines Wednesday to send the proposal to the full Republican-controlled House. The bill would require all applicants for the Temporary Assistance for Needy Families program to complete a written screening test for possible drug abuse problems. Those identified as possible drug abusers would need to undergo a drug test, and anyone failing would have to take part in a treatment program to continue receiving benefit payments. The bill sponsor, Rep. Jud McMillin, Brookville, says it is aimed at helping those with drug abuse problems. ❖



## Assault weapons and black helicopters

By **JACK COLWELL**

SOUTH BEND - Sales of assault rifles and 30-round ammo clips are sky high since those 20 first-graders were slain in Connecticut. And for many purchasers, the sky is why.



Survivalists, militia movement members and other conspiracy devotees preparing to battle invading United Nations forces look to the sky. There they see those low-flying black helicopters.

You haven't seen all the black helicopters spying on us, ready when the order comes to swoop down to enforce the New World Order, with troops coming to take away our guns?

Well, have you been look-

ing?

You don't believe patriotic Americans who warn that the killing of the Connecticut kids, though unfortunate, is now an excuse for what would be a greater tragedy, taking away weapons needed to fight troops rappelling from the black helicopters?

Well, then you probably don't believe that the government framed and killed Jimmy Lee Dykes, the survivalist from Alabama who sought to protect a little boy in an underground bunker.

**Yes, there already** are bloggers defending Dykes, portraying him as a victim harassed by neighbors and the government because he exercised his right to patrol his property with a gun at night. They say he was driven to desperate means in demanding television time to tell the truth about government conspiracies. And he was killed by the government authorities he sought to warn against. Was he out to protect those kids on the bus from New World Order indoctrination? Was he really shot by a sharpshooter in a hovering copter?

You don't believe that? What's wrong with you? Why aren't you paranoid?

You probably don't believe our Super Bowl was darkened and delayed as a show of what the United Nations can do in the United States.

But did you see the black helicopters above the Superdome in New Orleans when the power faltered?

No, you say. Sure, nobody saw them. They are

black. And it was night. There is no proof that black helicopters were not there.

If you don't believe in black helicopters, go to the Internet. Proof is there. Would anything on the Internet be untrue? The Internet is not like the lamestream media, covering up black helicopter sightings and fawning over men and women in the U.S. military.

**Members of our military**, according to Internet bloggers, help to train the foreign troops who will strike, along with or own government, to enforce the New World Order.

That's why assault rifles are needed. Are vital. Without them, how can patriotic Americans shoot it out with forces from Russia, China, Cuba and the Cayman Islands? How can they defend freedom in combat with the FBI, the Alcohol, Tobacco and Firearms Gestapo, the Secret Service and Angie's List? How can they stop U.S. soldiers ordered by our traitorous government officials to enforce the New World Order?

You think this New World Order stuff, this black helicopter stuff, is fiction?

Of course.

But there are people who don't.

There is big money for the arms merchants in convincing the conspiracy devotees that they better go out now to spend all they've got on assault rifles and ammo needed for a long struggle for freedom.

There are authors, bloggers and broadcasters making money as they stir up fears to gain followers. Some organizations gain members as they play up fears.

The black helicopters, they say, are spying on Americans who own guns so they'll know where to strike to disarm the nation. This brings opposition to a common sense proposal for universal background checks for gun purchases. Opponents argue it won't just keep guns out of the hands of folks with mental or criminal backgrounds but will give more information to the black helicopters.

OK, vehicle registration and licensing drivers must give the black helicopters the lists they need to swoop down and immobilize the nation.

**One Internet site on** "The Truth about Black Helicopters" tells how these copters actually are life forms, growing up from little helicopters to the big menacing copters in the sky. It tells how a specially designed swatter, kind of like a fly swatter, can be used to destroy the things when they are still little, still young.

How many conspiracy fanciers will believe that spoof? ❖

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



## McDermott won't face threat to his chair

By **RICH JAMES**

MERRILLVILLE – While Lake County Republicans will have a battle to replace Kim Krull as county chairman on March 2, it likely won't be the same for Democrats.



It is becoming clearer that Democratic Chairman Thomas McDermott Jr. will have only token opposition, if any. And it is most likely there will be none.

But, back to Republicans for a minute.

It's official that Lake County Councilman Dan Dernulc, 49, of Highland will be taking on retired businessman Allan Katz, 76, of Crown Point.

The two have very different stances.

Dernulc said the party has an identity crisis or issue in how it is perceived. Katz said he wants to build on Krull's successful policies.

And, now back to the Democrats. It is pretty well understood that McDermott and Sheriff John Buncich won't face each other for the chairmanship.

While there had been talk that Buncich might challenge McDermott, that won't be the case.

The peace agreement includes McDermott's vow to back Buncich for re-election as sheriff in 2014. So the two most powerful politicians in the county are on the same page.

The Lake County Democratic chairmanship once was a highly coveted position.

Until Rudy Clay of Gary was elected chairman about a decade ago, the chairmanship rested in East Chicago with John Krupa, Robert Pastrick and Stephen Stiglich running the party for four decades. Pastrick held the chairmanship for the lion's share of the time. McDermott a few years back replaced Clay.

**But the chairmanship** doesn't come with the power that it once did.

Politics has changed in Lake County, much as it has in

other parts of Indiana.

The precinct committeeman – known by most as the grunt in the trenches – doesn't carry the clout he or she once did.

There was a time when the bulk of the precinct organization carried out the wishes of the county chairman. That, of course, meant almost certain victory for those fortunate enough to have the backing of the chairman. The committeeman in those days was a resident's link to the local government.

If there was a pothole, a littered lot or a darkened street light, a call to the committeeman was the way to get it fixed.

**The electronic age of communication** has taken away from the importance of the committeeman. Residents can easily email their elected officials. And those inquiries usually bring a response or they pay the price across the electronic network.

Another reason the power of the chairmanship has been diminished is because of the fiscal constraints facing local government. Those money woes mean there are fewer jobs available.

There was a time when a county chairman – looking to find a job for a friend or backer – could call a variety of elected officials and get that person a job. That no longer is the case.

Yet, the chairman still has strengths. When a vacancy in public office occurs, the chairman plays a major role in selecting the successor.

The chairman also controls the election board and the perks that come with the voter registration office.

And a good chairman will reach out to the community to find strong candidates for public office.

In one respect, the chairman's job has become a headache of sorts. Chairmen still have to raise money and that is becoming more difficult in this jobs and financial environment.

The bottom line is that the chairman's job can still be demanding, but has fewer rewards.

And winning or losing a chairman's election can have political consequences. ❖



Hammond Mayor and Lake County Democratic Chairman Tom McDermott.

**Rich James is a columnist for the Times of Northwest Indiana.**



## Good signs for the housing market

By **MORTON J. MARCUS**

INDIANAPOLIS - The plane was ready to take off, and I could not help noticing the woman sitting next to me. She looked like the national real estate agent of the year. Her iridescent baby blue and muted magenta tweed outfit clung to a body that survived on Special-K alone.



"What do you do?" she asked in a voice that could marshal the hormones of an octogenarian.

"I'm an economist," I flustered.

"Talk to me in economics," she entreated.

"Nationally, housing is rebounding," I said breathlessly. "In fact," I said with surprising authority, "the median asking price for rental units (apartments and houses) is at an all-time high in current dollars at \$724 per month.

"In contrast," I proclaimed, "the median asking price for owner-occupied houses and condos (\$137,700) has stabilized about 30 percent below the peak of 2007."

"You're telling me the cost of owner occupancy is falling relative to renting? That would be good for home sales," she sighed.

"Well," I flustered, "maybe. There is a difference between acquisition cost and price. The price is only part of the total cost. With increased paper work and delaying bureaucracy, the cost of homeownership is rising more than its price."

Her intense eyes told me she understood better than I did the difference between cost and price. I proceeded:

"**Homeowner vacancy** rates in the Midwest and in the nation are about the same (below 2 percent). However, vacancy rates for rental housing are higher in the Midwest (9.3 percent) compared to the nation (8.7).

"Basically, Midwestern housing markets are different from those of the rest of the nation," I continued.

"Midwestern homeownership rates (that's the percent of occupied dwellings lived in by their owners) were at 70 percent at the close of 2012 while for the nation that figure was 65 percent. To put it differently, 30 percent of the occupied housing units we see in the Midwest are rentals whereas it's 35 percent nationally. No other region of the country is more given to homeownership than is the Midwest."

"That might be a fascinating factoid," she purred (or

was it a growl?). "Tell me," her voice enticing my attention, "is that because we are somehow different from people elsewhere in our preferences or in our circumstances?"

"Wow," I thought to myself, "this is a lady with a sharp mind."

**Aloud I said, "I don't think** we are different in our preferences. We probably want the same things as other Americans, but our circumstances are different. We have an older population than you'll find in other regions of the country. Homeownership rates increase with age.

"Under age 35, the homeownership rate nationally is 37 percent. This rises to 60 percent for those 35 to 44, and to 71 percent in the next decade (45 to 54 years of age). For those 55 to 64, homeownership characterizes 78 percent of households. In that oldest group (65 plus), it reaches 81 percent.

"Since Hoosiers and other Midwesterners are by-and-large older than other Americans, we have higher homeownership rates," I concluded.

Suddenly a hand touched my shoulder. "Please return your seat to its original upright position," a voice said.

I looked about. The seat next to mine was empty. Was it a fantasy or had she left me for a more interesting companion? ❖

**Mr. Marcus is an independent economist, writer and speaker.**

## Maker's Mark to dilute its bourbon

LOUISVILLE - The marketing world is reacting to the decision by Makers Mark to weaken their bourbon because they're running out of it (WIBC). Bill Samuels Jr, the son of Makers Mark's founder, says he takes the blame for not foreseeing the surge in demand for premium bourbon. The whisky will now be 84 proof instead of 90 proof.

Associate Professor of Marketing at Butler University Dr. Daniel McQuiston says Makers Mark should've just raised the price. McQuiston says "this is not a smart move on their part". He says consumers would have realized they would just need to stock up on the famous wax-dipped bottles. McQuiston says production should have been ramped up as well, but it's not that easy with bourbon since Makers Mark has to age their product in oak barrels a minimum of 5 years and 9 months.

Makers Mark CEO Rob Samuels says consumers won't know the difference when the weakened version is released in a few weeks. But McQuiston says Makers Mark just needs to admit their mistake and move on. He says the company needs to act soon as to not hurt their following, similar to Coca-Cola after they released New Coke. ❖



**John Krull, Statehouse File:** When Mike Pence was running for governor, he loved to talk about his Roadmap for Indiana. Critics complained that Pence's roadmap was only slightly more specific than the old much-maligned "Wander Indiana" license plates. (A comedian once said Hoosier car tags read "Wander Indiana" because there was no place in particular in the state anyone would want to go.) Pence and his supporters responded, with some justice, that the charge was unfair. There were some specific things in Pence's plan — his proposed 10 percent personal income tax for Hoosiers, an emphasis on vocation education and required family impact statements for all pieces of legislation. Still, even as road grub goes, this amounted to fairly thin fixings. Friends and foes alike waited for Pence to add more substance. They waited through his transition. They waited, with more anticipation, as his inaugural address as governor came and went. That speech offered little more than a rendition of a showstopper from Broadway in the heartland — there's something special out there somewhere and (heavy on the vibrato) we'll find it because we're Hoosiers. They waited, with increasing anticipation and now a little concern, as Pence prepared and then delivered his first State of the State address, another speech heavy on symbolism and light on substance. One veteran legislator, a Republican, said to me that he didn't know how to respond to the speech because "there just isn't that much there."

The anticipation faded and the concern increased a few days ago when Indiana House Minority Leader Scott Pelath, D-Michigan City, said in a media availability that he didn't know what the governor's priorities were because Pence hasn't done anything about job creation and the legislative session already is a quarter over. The governor's office refused to respond to Pelath's comments. There was a certain amount of media savvy to Pelath's jab. He picked a slow news time — most news reports seemed to indicate that the biggest issue confronting the state was the health of an injured deer — to push his party back into the spotlight for a moment. And there was a certain amount of media savvy to Pence's non-response. If the governor had fired back, Pelath would have had a chance to make still more comments. Pence would have had to reply to those comments. Most of the concern, though, is a product of the fact that Pence has talked a lot about his roadmap for the state. Scott Pelath was just the first lawmaker to say what a lot of them are thinking. What they're thinking is that, at some point, Mike Pence will have to stop waving his roadmap around, get behind the wheel and drive the state somewhere. The question that remains is where he wants to go. ❖



**Steve Hammer, nuvo:** I take great exception to the adjective Dan Carpenter applied to this column. He called it "left-leaning." I also was angered by a list of "the most liberal reporters in Indianapolis," allegedly put together by members of the Tea Party of Indiana and posted on indianabarrister.com. I finished in 10th place. TENTH! I feel like my career has been in vain if I only rank as Indy's 10th most-liberal reporter. Friends, not only am I "left-leaning" and "liberal," I'm a straight up socialist with Marxist-Leninist tendencies. Matthew Tully of The Star, who ranked first on that list, never advocated the nationalization of the oil industry. Jim Shella of Channel 8, who also is supposedly more liberal than me, never called for a workers' revolution to topple the George W. Bush regime. I did both of those things. What would it have taken for me to reach No. 1? Kidnap Patty Hearst? Lead a sit-in at Sen. Dan Coats' office until a Peoples' Commission on Truth and Reconciliation pays reparations to the descendants of slaves and the victims of Reagan-era predatory capitalism? Man. Do I need to pay membership dues to the Communist Party USA? Will that bump me up the list? Clearly, I have been ineffective so far. ❖

**Doug Ross, NWI Times:** When U.S. Transportation Secretary Ray LaHood announced Tuesday that he is stepping down, the political world focused on his status as the lone Republican still in President Barack Obama's first-term Cabinet. I focused on what this means for Northwest Indiana and the south suburbs. Indiana is the Crossroads of America, the slogan goes, but that could just as easily apply to the Calumet Region. A large percentage of nation's interstate truck traffic goes through this area, I've been told. The rail traffic here, with Chicago as a major hub, reinforces transportation's influence in shaping our region's economy. I was fortunate to hear LaHood speak about rail traffic in Northwest Indiana when he spoke at the Rail Delivers Jobs summit in Chesterton two years ago. The transportation secretary gave a moving speech, appropriately enough, on high-speed rail. "If Indiana gets its act together, you could be a dominant player in this plan in this region of the country," LaHood said. "Get your act together, give us some partners, you'll be players," said LaHood, a former Illinois congressman. That's no easy task, considering the balkanization that afflicts the entire area, which then strains our relationship with the rest of the state. That's true whether you're talking about Illinois or Indiana. Obama's vision for high-speed rail was included in the federal stimulus program aimed at putting Americans back to work during the Great Recession. Railroads being railroads, with their linear mindset that can make it difficult to think outside the box, progress has been slow. ❖





## **NWS didn't aptly warn of derecho**

FORT WAYNE – The National Weather Service's local offices did a good job of issuing warnings about the derecho that slammed Fort Wayne on June 29, but those warnings failed to communicate the danger the rare storm presented, a new report says (Fort Wayne Journal Gazette). The National Weather Service issued an internal review of its performance during the event, which in Fort Wayne brought down hundreds of trees and left more than 118,000 people without power in the region – some for more than a week – during a record heat wave. The storm traveled all the way to the East Coast, killing at least 13 people and leaving 3 million without power.

Short-term forecasts the day of the storm were accurate, the report said, but forecasts the day before failed to predict the devastating storm.

"Unlike many major tornado outbreaks in the recent past, this event was not forecast well in advance," the report said. "The National Centers for Environmental Prediction operational forecast models ... provided little assistance in forecasting this event more than 24 hours ahead of time." Because the storm was not predicted until just hours before it formed, forecasters on the East Coast predicted it would follow the usual weather pattern of breaking up over the Appalachian Mountains. It didn't, leading to yet more last-minute warnings, the report said. The storm also moved so quickly that forecasters had trouble issuing warnings ahead of it. The storm formed over northern Illinois, and by the time it moved into Indiana at 60 mph, it was organizing into a fast-moving storm almost 200 miles across



and building in strength. As it roared into Whitley County, wind speeds were estimated at 75 mph, and by the time it ripped into Allen County, radar showed winds at 2,500 feet were 104 mph. On the ground, a wind gust was measured at 91 mph at Fort Wayne International Airport, but more intense winds were hitting central Fort Wayne.

## **Senate OKs violence against women act**

WASHINGTON - Indiana stands to get over \$16 million in federal funding to fund services and programs to assist victims of domestic violence (WIBC). U.S. Senator Joe Donnelly (R-IN) says the Senate passed the Support for Violence Against Women Act. The bill was originally passed in 1994 but was allowed to expire in September 2011. Donnelly says bill is designed to provide funding for projects that assist women who are most at risk. Donnelly says those projects or programs could include women's shelters, access to legal services, and other prosecutor programs. The bill now moves to The U.S. House for approval.

## **Warrick official faces intoxic charge**

EVANSVILLE — Warrick County Councilman Paul Rudolph is scheduled to appear in Vanderburgh Superior Court next week to answer charges he was publicly intoxicated and resisted arrest after a dispute with another man over seats at an Evansville Otters baseball game last summer (Evansville Courier & Press). Rudolph, 39, was arrested after resisting a uniformed, but off-duty Vanderburgh County Sheriff's deputy working security at Bosse Field on July 27, according to the affidavit of probable

cause for his arrest. He faces misdemeanor charges of public intoxication, disorderly conduct and resisting law enforcement. He is scheduled to appear before Judge Wayne Trockman at 9:30 a.m. Tuesday.

## **Courthouse threat brings security**

COLUMBUS - The Bartholomew County Courthouse was under heightened security Wednesday after an employee in Superior Court Judge James Worton's office received a threat from a telephone caller who hinted at violence against a judge or someone else at the courthouse (Columbus Republic). Maj. Todd Noblitt said the Sheriff's Office has started an investigation.

## **FreedomWorks scraps sex video**

WASHINGTON - A leading Tea Party group made a video of a fake Hillary Clinton having sex with a panda to show to a massive gathering of conservatives before scrapping the film, according to a report Thursday. Mother Jones reported two female interns at FreedomWorks played the parts, with one wearing a panda suit and one wearing a Clinton mask. In the video, FreedomWorks Executive Vice President Adam Brandon is shown waking from a nap at his desk before wandering down the hall and witnessing the panda performing oral sex on Clinton in a dream sequence. The video was screened for FreedomWorks staffers, and was supposed to be shown at FreePac, a July 2012 conference in Dallas. The video was scrapped after staffers objected. "How was that not some form of sexual harassment?" a former FreedomWorks official told the magazine.