



Pence says hybrid tax cut better

Governor praises legislative leaders in both parties as he takes on 8.7% jobless rate

By **BRIAN A. HOWEY**

INDIANAPOLIS – There were other issues that had potentially greater financial impact or will leave a more resolute imprint on people’s lives, but in gauging the success of this year’s Indiana General Assembly, the marquee item came down to the tax cut.

And it was an issue that was finally hammered out last Wednesday night, just over 48 hours before the session ended after midnight Saturday.

“There was some very vigorous discussion,” said Gov. Mike Pence, whose first term will be defined, in part, by this first initiative. “We had some disagreements, some in public, more frequently in private. But I think the good news for Hoosiers today is we came together to serve the best interests of Indiana. It was crafted in a spirit that I think would make every Hoosier proud.”

Last Tuesday, the Howe Politics Indiana Poll was published that reinforced the notion that Hoosier voters wanted a tax cut. The poll by Bellwether Research showed that while 39% supported the Pence tax plan, 33% sup-



ported the Senate Republican version. Combined, that was 72% favoring some form of a tax cut. Only 17% said neither. Still, 60% were not supporting Pence’s 10% cut.

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Common Core up next

By **BRIAN A. HOWEY**

NASHVILLE, Ind. – At times, the historic “Super Majority” session of the Indiana General Assembly, with an unprecedented alignment of conservatism with Gov. Mike Pence at the top, wasn’t pretty. But early Saturday morning, a \$30 billion budget with \$500 million in tax cuts passed. So did criminal code reform.



The most far-reaching, potentially contentious issues with vast financial, policy and political implications – Medicaid expansion and Common Core – will be the ongoing story lines in the next several months.



“It was a significant improvement in communication. We kept in constant contact. The taxpayers were well served.”

- Speaker Brian Bosma, on Scott Pelath replacing Pat Bauer as House minority leader



Howey Politics Indiana

is a non-partisan newsletter based in Indianapolis and Nashville, Ind. It was founded in 1994 in Fort Wayne.

It is published by
WWWHowey Media, LLC
405 Massachusetts Ave.,
Suite 300
Indianapolis, IN 46204

Brian A. Howey, Publisher
Mark Schoeff Jr., Washington
Jack E. Howey, Editor
Matthew Butler, Daily Wire

Subscriptions

\$599 annually
Ray Volpe, Account Manager
☎ 317.602.3620
email: HoweyInfo@gmail.com

Contact HPI

www.howeypolitics.com
bhowey2@gmail.com
☎ Howey's Cabin: 812.988.6520
☎ Howey's cell: 317.506.0883
☎ Washington: 202-256-5822
☎ Business Office: 317.602.3620

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And Gov. Pence will break out of his "10% tax cut" mantra and is expected to become very active on a number of policy fronts.

The most conspicuous of those is Common Core, which the General Assembly "paused" for a year.

Gov. Pence said on Monday, "It's very important that we have a public discussion before we go past the point of no return on Common Core. We made that very clear in the legislative process. We were very active in the development of the legislation that hit my desk."

Pence said that Indiana will go forward with implementing Common Core at the second grade level, with the pause in place for the third through 12th grade levels. "But we will pause and we will engage in a public discussion, and the State Board of Education will evaluate the proposals on the Common Core, their impact on Indiana curriculum and be sure that Indiana has the highest possible standards for our kids and our public schools and that we set the standards."

State Sen. Scott Schneider, R-Indianapolis, observed, "Indiana took a step forward by returning education policy to the local level. I'm appreciative that my fellow legislators have recognized the need to halt the implementation of Common Core until we can discuss its potential impact on students across the state. This movement against Common Core started with citizen involvement. Our success with this legislation would not have been possible without the concerned Hoosiers around the state taking action. Education decisions should be made by Hoosiers and not ceded to unelected bureaucrats many miles away."

Common Core actually was an idea emanating from the Republican Governors' Association, and while it had the imprimatur of President Obama and U.S. Education Sec. Arne Duncan, former Gov. Mitch Daniels

and former Supt. Tony Bennett embraced the program and prodded their appointed State Board of Education to have Indiana join 44 other states.

In Daniels' exit interview last December, he expressed concern that some of his programs might be rolled back. That concern was prescient.

Bennett lost his reelection bid, in part, to Tea Party concern over Common Core. It helped Supt. Glenda Ritz in her upset of Bennett, where she polled more votes than Gov. Pence.

The Pence administration has remnants of the Bennett team – most conspicuously the superintendent's chief of staff, Heather Neal, who joined the Pence legislative team. It's probably safe to say there have been some vigorous policy debates within the administration.

But Pence, who had significant Tea Party support in Congress and as a gubernatorial candidate, seemed to put Common Core on notice that it was under assessment. At the Atlas International Education Forum in early April, Pence noted he had been one of few politicians to oppose No Child Left Behind, the biggest federal education law in history, which dramatically increased federal education spending while requiring states to get all students testing "proficient" by 2014.

"I will bring my anti-No Child Left Behind biases to this," Pence said of Common Core. He told reporters on Monday about his 2001 NCLB vote.

In a statement to Howey Politics Indiana, Pence spokeswoman Christy Denault said, "Gov. Pence believes that education is a state and local function, though he certainly understands the argument for common standards. He is evaluating Indiana's Common Core and has not yet taken a position on it."

Supt. Glenda Ritz reacted to the Pence statement by saying, "The governor and I are engaged in ongoing conversations about assessments,



standards, and accountability.”

Since then, the Republican National Committee voted for a resolution opposing Common Core. And Pence will have the opportunity to appoint at least half of the State Board of Education in June, which in its current form is ardently for Common Core.

“I absolutely believe that education is a state and local function,” Pence said Monday. “The State Board of Education sets our curriculum. But I have to tell you, as I travel around the state, there are people across the political spectrum who have concerns about the Common Core. I think that makes it appropriate for Indiana to pause to engage in public debate.”

Asked by HPI on how he will approach the reappointments on the State Board of Education - amounting to about half of the board - Pence explained, “We’ve got some appointments that come up in June and we will be evaluating those appointments as well as other appointments at that time. Let me say we’re going to give Common Core a fair look and a serious look. But I don’t come into this with any preconceived notion for or against. My only bias is we’re going to do education the Indiana way. We’re going to set our curriculum in Indiana for Indiana.”

This conservative alignment is forging ahead despite a Howey Politics Indiana Poll (April 18-21, 600 registered, +/- 4.0 MOE) that the majority (54%) of voters want to stay with The Common Core. Only the most conservative voters are divided on this (40% for and 40% against). Somewhat conservative voters overwhelmingly support staying with the Common Core (60%), as do moderates and liberals (57%). And there are significant pockets of Common Core supporters in the General Assembly, including House Education Chairman Robert Behning and freshman State Rep. Todd Huston, Bennett’s former chief of staff, who ardently back Common Core.

But Schneider and sophomore Republican State Rep. Rhonda Rhoades did an end-around and revived the Common Core “pause.” And House and Senate Republicans have a deep fear of teachers emerging to challenge them in 2014 primaries.

These coming battles could pit the Tea Party vs. the teacher network that helped upset Bennett last November, all playing out in primaries that draw a scant 10- to 15% voter turnout. In the Indiana Senate, there is considerable support among the so-called “Conservative Caucus” for the pause, and this is a restive group that senses a

historic opportunity to place a conservative stamp on policy, particularly with Gov. Pence at the pump.

It will be fascinating to watch Senate President David Long and Speaker Brian Bosma – who last November took a stay-the-course view of the 2011 Daniels/Bennett reforms, saying the key would be implementation – navigate these choppy waters. But the political ground is potentially shifting beneath their feet. Pence was laudatory toward Bosma and Long on Monday, repeatedly praising their leadership, “guidance” and “steady hand,” adding that they were “engaged from day one.”

The other far-reaching financial decision beyond the General Assembly session is Medicaid expansion. Gov. Pence emerged with authority to deal with the Obama

administration and he has called for a federal waiver to allow expansion to come within the successful Healthy Indiana Plan. At stake are billions of dollars that will impact as many as 400,000 poorer Hoosiers and state budgets of the future.

Had Pence opted for expansion through traditional Medicaid like GOP Govs. Chris Christie in New Jersey, John Kasich in Ohio, Rick Snyder in Michigan and Rick Scott in Florida, the federal government would have picked up 100 percent of the costs through 2020.

When told of Democratic criticism for not making a traditional Medicaid expansion, Pence said on Monday, “Medicaid is not a jobs program. It’s a public health program. It’s broke and it’s broken. We continue to be in serious discussions with people in Washington about expanding within the framework of Healthy Indiana Plan.”

The HPI Poll found that on the question of whether to extend Medicaid as called for under the Affordable Care Act (Obamacare), 23% preferred that while 48% backed Gov. Pence’s position. Another 19% do not want to extend coverage to the poor and 10% did not know.

The federal government will rule on the waiver, perhaps this summer. That will be a titanic story with vast financial, policy and political implications.

While the General Assembly was winding down, Pence spoke to Morgan County Republicans at the annual Lincoln Day dinner Thursday night. He talked of Indiana’s policy innovations and said, “Hoosiers can lead the nation.”

Some will see that as a telltale of Pence’s own presidential ambitions, perhaps coming as early as 2014.

His stances on Common Core and Medicaid could make him an outlier in what will be a gathering and large field of Republicans seeking to replace President Obama. ❖

‘We’ve got some appointments that come up in June and we will be evaluating those appointments as well as other appointments at that time.’



Pence, from page 1

Asked when the deal was struck, Pence paused for a considerable moment, then said, "I think it was the night before the deal was announced." That came on Thursday, when the tax cut package included 5%, not 10%, on the income tax cut, as well as accelerating the inheritance tax repeal, and a rollback in the corporate and financial institutions taxes.

"After the Senate produced their budget that included income tax relief," Pence continued, "we began in earnest around this table to meet on a daily basis, sometimes more often, with the fiscal leaders of the House and Senate, and there was a lot of give and take. You've got to understand I'm someone who believes you ask for the order and I kept on asking for what we had proposed."

"But at the end of the day, I think the tax relief we crafted together was better than what I was proposing," Pence acknowledged. "It was important that when you come into a job like this, with our agenda, the Roadmap for Indiana, you vigorously pursue the agenda but you also listen carefully. I've always held the view that no one person or no one political party has all the answers. We vigorously advocated right to the end for what we thought would be the best tax relief for Hoosiers. But in the end, I'm convinced that income tax cut, the inheritance tax and the financial institution tax was just the right relief at the right time. But it came very late in the process. All parties concerned drove a hard bargain, but I think Hoosiers got a great bargain in the tax relief."

When in full effect, the numbers look like this: \$1million in income (say a small business) equals \$ 1,700 a year; \$500,000 in income (say a smaller business) equals \$850 a year; \$100,000 household income equals \$170 a year; \$50,000 household income equals \$85 a year.

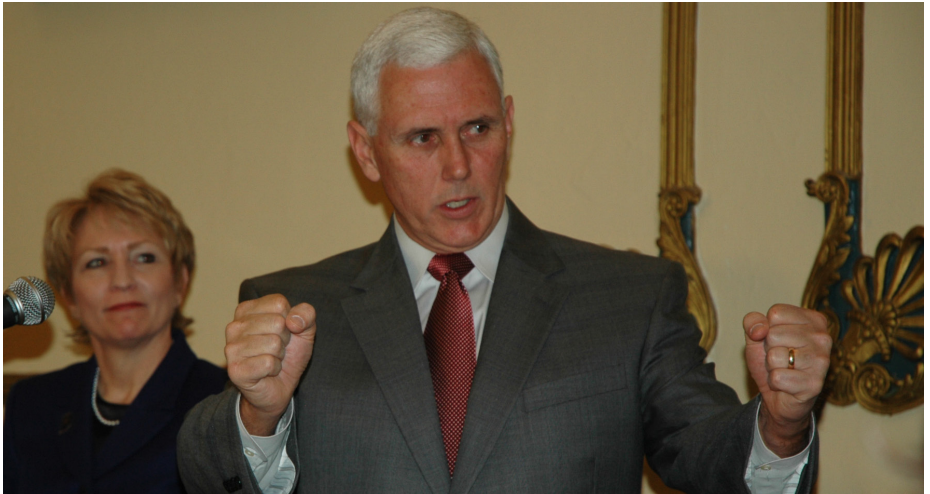
The \$850 cut level equals about \$70 a month or \$2.30 a day (which would be good for a latte at Starbucks). Some speculate that an income tax cut that size will not stimulate job creation, but might help with job retention at the margins for the smaller businesses filing as individuals.

Bigger job creation potential is in the already passed cuts in the corporate income tax rate from 8.5% to 6.5% and the inheritance tax elimination. Small businesses and farms can now be passed on to subsequent generations and there likely will be fewer break-ups or sales to fund a tax liability. Banks and c-corps, in theory, will have

more cash to fund expansions, make hires or return to shareholders.

Pence reminded the press on Monday, "I said at the outset of the General Assembly I was going to make job creation job one. I believe that by passing an honestly balanced budget that includes the kind of tax relief and strategic investment that will promote job creation we've done just that. I think this session of the General Assembly is good news for Hoosiers, good news for Indiana and we look forward to rolling our sleeves up and taking these new tools that we have and the renewed fiscal strength of our state and we will be telling Indiana's story far and wide.

"Make no mistake, lowering personal income taxes permanently when it is phased in will leave \$300 million in



Gov. Pence gestures during Monday's press conference as Lt. Gov. Sue Ellspermann looks on. (HPI Photo by Brian A. Howey)

the Indiana economy," the Governor added. "It will do so permanently. I truly believe more and more Hoosiers will do better to be able to save, invest and spend. But I also believe it is the best way to promote economic growth in combination with all the other investments we're making."

Asked by HPI what his message is to Indiana employers, who will benefit far more – at least initially – from the tax cuts than the middle class, Pence said, "First I think it's important as you point out the revenue forecast was positive and scored some \$290 million more than we expected, it's still was a very modest prediction about growth. Look, we've got 8.7% unemployment in Indiana. A lot of Hoosiers are hurting."

"My message to employers large and small is that it's time to invest in Indiana," Pence said. "And my message outside of the state is, 'It's time to come to Indiana.' I have to tell you one of the most amusing things I saw in



the aftermath of the news that we had reached an agreement on tax relief was posted on my Facebook page: 'That's it. That settles it. I'm moving to Indiana.'

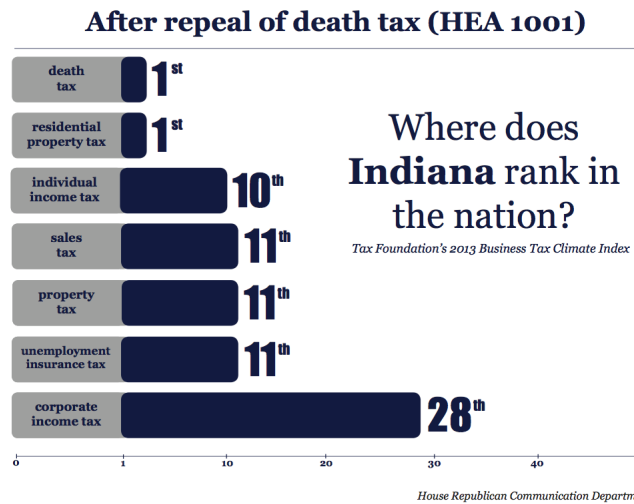
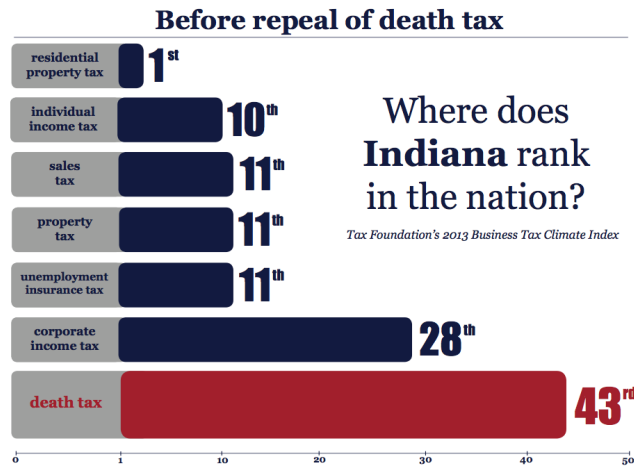
"My message to all our businesses is that we want to roll our sleeves up, we want the state of Indiana to continue to look for ways to be the best place in America to start a business, grow a business," Pence added.

Republican leaders lauded what House Speaker Brian Bosma heralded as the "largest tax cut in the history of Indiana," adding, "This blend of tax relief will have a positive impact on Hoosiers across the state and will result in a tax cut for every Hoosier." House Ways & Means Chairman Tim Brown called it "very much a jobs budget."

Senate President Pro Tem David Long added, "This budget is a home run for Hoosiers. This is an honestly balanced budget that provides the most K-12 education funding in state history, pays down our taxpayer-funded debt and funds our roads and infrastructure needs. This budget also includes the largest tax cut in state history and maintains our \$2 billion surplus. This is a win for our state."

Senate Appropriations Chairman Luke Kenley added, "This budget pays off debts, provides very significant tax relief. It's honestly balanced each year."

But House Minority Leader Scott Pelath saw a "squandered" session. "We did nothing to create jobs this session," the Michigan City Democrat said. "We did not pass a single bill that will put Hoosiers back to work as soon as possible, unless you choose to get into the business of selling dead rabbits by the side of the road (Senate Bill 457) or become an artisan distiller (House Bill 1293). The tax cut is lose-lose. We'll have to live without revenue that could help hard-working Hoosiers, and then we won't get enough back to make a difference in our lives. What makes it worse is that the vehicle for achieving this goal was ignored. Sim-



ply by expanding affordable health care in Indiana, we could have put an estimated 30,000 Hoosiers to work and provided less costly health care options for 400,000 more Hoosiers. Those aren't figures pulled from the air ... they come from the Indiana Hospital Association."

A noteworthy first session

With Gov. Pence able to declare a "great victory" last Thursday when the tax cut details were in place, he could also claim beyond the \$600 million in total tax relief \$190 million in new K-12 funding, another \$100 million in new road funding. He was able to get unanimous votes on his regional work council and vocational education bills.

Pence also cited \$35 million for school community foundations, \$70 million to meet the needs of the Department for Child Services, \$400 million for a pre-kindergarten program, and \$25 million for research and development in life sciences.

He called it one of the "most civil, bipartisan and substantive session in recent memory. Members of both parties kept the focus where it should be: On jobs."

Asked if there were bills he might veto, Pence said there could be several among the 70 bills headed toward his desk for signature. One could be SB621, which would eliminate at-large council seats in Indianapolis. "We'll study that very carefully," he said.

Asked if he would have vetoed the conversion of racino dealers from electronic to humans, Pence said that he made it "very clear I did not support the expansion of gambling." Asked about how switching to live dealers from electronics is an expansion of gambling, Pence paused, then said, "Any other questions?"

The governor also said he was very involved in the Rockport legislation, adding that he wanted to "take a second look."

The bill headed for his desk, if signed, could kill the coal gasification project. ❖



Pence weighing vetoes, but provides little info

By MAUREEN HAYDEN

INDIANAPOLIS – Less than two days after the Republican-controlled General Assembly wrapped up its 2013 session, Republican Gov. Mike Pence signaled he may veto some legislation coming his way.

During a press conference Monday in which he praised lawmakers for their hard work, Pence told reporters: "There are a number of bills we have concerns about," but declined to elaborate.

Pence's comment, in response to a question from a reporter about whether the first-term governor would exercise his veto power, came as news to Republican House Speaker Brian Bosma of Indianapolis, who held a subsequent press conference of his own.

"I haven't heard that from the governor, that any particular bill would or wouldn't be vetoed," Bosma said. "I did hear he expressed reservation about quite a few bills this morning but he hasn't personally told me of any concern he had one way or another."

Republican Senate President Pro Tem David Long of Fort Wayne had a similar response. Long's press secretary, Lindsay Jancek, said Long "had not heard that there were any concerns until today." Long has since instructed his staff to contact the governor's office to request a list of bills that concern Pence.

During his press conference, Pence hinted that one of the bills that may come under his scrutiny is the controversial Marion County government reorganization bill that eliminates four at-large council seats and gives the mayor – currently a Republican -- more fiscal controls.

He wouldn't name any specific legislation he's considering vetoing, but also said there was a long list of bills headed his way, many of which he was not familiar with yet.

"We will carefully examine them and do what we think is right," Pence said.

His window of time is short. The General Assembly passed almost 300 pieces of legislation this session, and as early Monday, the governor had signed off on 93 of them.

Once a bill is presented to the governor by legislative leaders – who must first sign off on it -- he has 7 days to sign it, veto it, or let it become law without his signature.

Bosma said it's the governor's prerogative to kill a bill.

"He and his team will have to dig in and find out the reasons for the legislation and the result and see if he agrees," Bosma said. "That's one of the significant powers of the governor of the state."

Pence used part of his press conference Monday to praise the work of legislators who ended the 2013 session early Saturday morning after passing a \$30 billion budget bill. The final two-year spending plan contains the beginning of 5 percent cut in the state's income tax rate. It's less

than the 10 percent cut that Pence had originally demanded.

Pence said he was pleased with the final budget bill that phases in the income tax cut over four years, eliminates the state's inheritance tax retroactively to Jan. 1, plus reduces the tax on financial institutions. He repeatedly called it "the right tax relief at the right time," and said the combination of tax cuts is the largest in Indiana history.

But his comments about "concerns" over other legislation came as a surprise in part

because he'd weighed in on other major bills during the last half of the four-month session.

Pence made it known, for example, that he wanted tougher penalties for marijuana crimes than what were in a criminal sentencing bill. He opposed a provision in the original gaming bill that let the state's horse-track casinos switch from electronic table games to live dealers.

Both bills were changed to accommodate Pence, by legislators who feared the bills would be vetoed otherwise.

But during this past session, the tension between Pence and the legislative leaders in his own party was apparent. Pence's demand for 10 percent tax cut, for example, was made without consulting either Long or Bosma. When they initially resisted the idea, a pro-Pence organization with Tea Party ties, Americans for Prosperity, launched an aggressive media attack on Republican legislators.

During his Monday press conference, Pence acknowledged the intra-party fight over the tax cut involved some "very vigorous discussions" but that he also came away with greater respect for the state legislature.

"We had some disagreements," Pence said. "Occasionally in public, more frequently in private." ❖





The sobering 8.7% stat

By **BRIAN A. HOWEY**

INDIANAPOLIS – As our lawmakers head home to Macy and Austin, to Shelbyville and Boonville, to Kokomo and Bedford, there is one statistic I hope keeps ringing in their ears.

No, it's not 10% or 5% or 3.3%.

Sadly, it's 8.7%.

That's Indiana's jobless rate. And while it dipped down below 8% briefly a few months back, for two months running now, it's been 8.7%. That figure doesn't include the tens of thousands of Hoosiers who are what they call "too discouraged" to look for work and have dropped out of the statistics.



And that, my legislating friends, is a travesty.

It becomes alarming when you dial back to April 16 and the analysts at IHS Global Insight projected that Indiana won't return to "peak employment" - as they termed it - until 2014, and even then the projected jobless rate is forecast to be 7.7%.

That's about 3% - and tens and tens of thousands of unemployed Hoosiers

- more than the last time we had peak employment in 2007 when the jobless rate was below 5%.

I asked Senate Appropriations Chairman Luke Kenley if things had gotten so bad that 7.7% becomes the floor of the jobless rate and he responded, "I hope not, but there are things about the overall economy that tells you that may be true. Technology has moved us in such an incredibly productive society." The 10,000 workers it once took to make a red Chevy Sierra now takes 1,500 or 2,000.

"I think that's a possibility," Kenley said.

If that is the case, at some point there will be a political price to pay.

To Gov. Mike Pence's credit, he has, with steely resolve, talked almost exclusively about jobs for more than a year now.

So what we have is what looks like a lot of tax cutting for wealthier Hoosiers. The inheritance tax repeal - which will benefit farmers, ranchers and business folks - goes into effect retro to Jan. 1. There's \$150 million in relief there. There's another \$200 million or so in the corporate tax phase-down, and another cut for financial institutions. And there's the Governor's 5% income tax cut that will put about \$51 back into the pockets of wage earners.

Critics of the Pence tax cut scoff at the amount the individual will get, but when Pence was pushing the cut at

10%, he talked of how it would inject \$500 million into the Indiana economy. So my neighbor across the street who was to get \$102 back at 10%, and now \$50, probably isn't going to go out and create a job or two. But this wave of capital will allow other, richer people to - in theory - expand their businesses and create jobs.

Democrats and Pence critics might call this "trickle down" economics, going back to the Reagan era. But the Reagan tax cuts of 1981 did what they were supposed to do, which was to shower capital on technology that already existed. By the time President Reagan left office, we were using personal computers, cell phones, playing Pacman, and faxing things to each other. Even though the deficits exploded, it ushered in a good 20 years of predominant expansion.

When our lawmakers get home, they need to encourage their local companies to use the capital to expand and hire.

Pence will also try to retool the Hoosier workforce, using his regional work councils to match local employment needs by enriching the skills of the area's workforce. The needs of the recreational vehicle belt in Elkhart and Middlebury will be different than the orthopedic sector near Warsaw, the heavy equipment makers around Lafayette or the bio sector in Indianapolis and Bloomington.

I hope this influx of capital, the retooling of our workforce, and the 2011 changes to the education system - some of which are facing roll back from the conservatives in the legislature - will work.

But after five years of the fallout from the "Great Recession" of 2008 and beyond, I am nervous. I worry that the new capital availed to the wealthy among us will stay on the sidelines, or be used to buy other companies and consolidate operations, throwing more people out of work.

This has been a tough era. It's an era where we almost lost our auto sector. Where jobless rates in Kokomo and Elkhart once approached 20%, and places like Connersville and Vincennes have seen their manufacturing sectors decimated, with little relief in sight. Some of the pressure points on the Indiana economy - Sen. Dan Coats cites the uncertainty surrounding Obamacare as freezing hiring - go beyond this governor and the 150 souls who streamed home from the Indiana Statehouse this past weekend.

There will be the proclamation of "great victory" as Gov. Pence heralded his first budget. There will be some chest beating, and Democrats will decry the missed job opportunities with Medicaid and gaming.

But what really should follow is a sober sense that there are a lot of people hurting out there, and when they scan the horizon, the light at the end of this tunnel is still a speck, like that decimal point between very, very troubling numbers. ❖

Howey is publisher of Howey Politics Indiana.



Morgan faces 22 years after guilty verdict

By ERIN BLASKO
South Bend Tribune

SOUTH BEND — Guilty. On all counts.

That was the verdict late Thursday in the forgery trial involving former chair of the county Democratic Party Butch Morgan and party member Dustin Blythe, who were accused of conspiring to forge signatures on petitions to place Democratic candidates on the state primary ballot in 2008. It came just after 8 p.m., after about three hours of deliberation. Morgan was convicted on two counts of felony conspiracy to commit petition fraud and two counts of felony conspiracy to commit forgery, and Blythe was convicted on nine counts of felony forgery and one count of felony falsifying a petition. Following the verdict, Superior Court Judge John Marnocha set a sentencing date of June 17.

He also moved the sentencing date for co-defendants Pam Brunette and Bev Shelton from May 9 to that same date. All four defendants were charged in the case last April, following an investigation by The Tribune and Howey Politics Indiana into suspected ballot petition fraud in the state's 2nd Congressional District and, more specifically, St. Joseph County.

Of the four defendants, Morgan and Blythe were the only two to go to trial. Shelton, for her part, pleaded guilty to one count of felony forgery and one count of felony falsifying a petition on March 28 as part of a plea agreement under which, in exchange for her cooperation, the state agreed to recommend she receive no jail time. Brunette, meanwhile, pleaded guilty to one count of felony forgery, one count of felony official misconduct and one count of felony falsifying a petition on April 9. Three other charges against her were dropped at that time.

Both women testified against Morgan and Blythe during the trial. The four will be sentenced at the same time June 17 -- at 1:30 in the afternoon. Speaking to The Tribune after the verdict, deputy prosecutor Christopher Fronk, who prosecuted the case alongside special prosecutor Stanley Levco, admitted to a sense of relief and satisfaction. "Anytime people ma-

nipulate or attempt to meddle with the election process it's a bigger deal than it seems," Fronk said. "So it was gratifying to have the jury come back guilty on all counts." Now convicted, Morgan faces up to 22 years in prison. Shelton faces up to 11 years, Brunette faces up to 14 years, and Blythe faces up to 75 years.

Prior to the case going to the jury Thursday, Morgan took the stand to testify on his own behalf. Dressed in an ill-fitting black suit and with his hair parted neatly down the middle, the accused former party leader said he never instructed anyone to forge signatures on petitions to place Democratic candidates on the state primary ballot in 2008.

He also denied holding a meeting at Democratic Headquarters on Monday, Jan. 21, 2008, to discuss such a scheme, noting he was out of the office most of that day. That contradicted what Lucas Burkett said Tuesday. One of the state's key witnesses, Burkett said he, Brunette and Shelton, all of whom worked in the Office of Voter Registration at the time, walked over to Democratic Headquarters during lunch on that date at Morgan's request.

Once there, he said, Morgan instructed them to copy names on petitions to place gubernatorial candidate Jim Schellinger on the state Democratic primary ballot and onto petitions to place Barack Obama and Hillary Clinton on the ballot.

Not true, Morgan said. "On Monday, Jan. 21, 2008, county offices were closed because of Martin Luther King Jr. Day," Morgan said. That fact, previously unmentioned, was the only surprise during about 75 minutes of testimony. And it was one the prosecution never attempted to address. Morgan also was asked about his duties as county chair, and whether they included collecting signatures for candidates for federal or statewide office. No, Morgan said. "Is it fair to say though that you would assist if you could?" defense attorney Mike Tuszynski asked. "Yes," Morgan responded.

Morgan also said he never heard anyone express any concerns about there being a shortage of signatures for any Democratic candidate in 2008.

Asked about strategy meetings among him and his three co-defendants, Blythe, Brunette and Shelton, after charges were filed in the case, he admitted to attending some but said he never organized any.

The prosecution on Wednesday attempted to



Former St. Joseph County Democratic Chairman Butch Morgan arrives for his trial on Monday in South Bend. (WSBT-TV Photo)



portray those meetings as further evidence of the alleged conspiracy. Asked when he first suspected Brunette and Shelton might be guilty, Morgan said it was when Shelton accepted a plea agreement in March and when, a few days later, he read her statement to police, which implicated Brunette.

Morgan resigned as county chair in September 2011, just a few days after The Tribune and Howey Politics Indiana first broke the story about the forged petitions based, in part, on information provided by Burkett. Asked about that decision, Morgan said, "I didn't want it (the story) to be a detriment or take away or distract from the candidates who were running for office at that time. I just felt it was best ... to resign and work to clear my name."

During cross-examination, special prosecutor Stanley Levco focused on Morgan's statement regarding when he first knew Brunette might be guilty in the case. He asked Morgan why he would question Brunette's innocence based on Shelton's statement to police. After all, he said, Shelton implicated him as well. "Why would you even think it was possible that what (Shelton) said about Pam was true if everything else (supposedly) was a lie?" he said.

Morgan said he was confused and upset at the time and didn't know what to believe. Levco also submitted into evidence a printed document. He said the document contained information about how the four co-defendants could beat the charges against them and that it was produced by Morgan. Asked if he recognized the document and if it was true that he produced it, Morgan said no. Levco later recalled Shelton and Brunette as rebuttal witnesses. Both identified the document and said they received it from Morgan at one of the group's strategy meetings. Blythe did not take the stand. Following Morgan's testimony, during closing arguments, Jeffrey Kimmell, representing Blythe, attacked the character and credibility of the state's three key witnesses, Burkett, Shelton and Brunette. He said Blythe was "being drug into this by the likes of Lucas Burkett, an admitted forger who got off scot-free."

He also attempted to cast doubt on the methods and conclusions of the state's forensic document examiner, Courtney King, whose work linked Blythe to some of the forged petition pages. "Science doesn't change, opinions do," he said. "And her opinions are not science."

Given his turn, Tuszyński posited that Brunette, Shelton and Burkett, on their own, hatched a plan to forge the signatures to cover up for the fact that they had somehow lost a number of petition pages. "They may have come up with a plan to fix this problem," he said, "but there is no evidence, let alone evidence beyond a reasonable doubt, that Butch Morgan was a part of it."

Levco, for his part, questioned what motive Bru-

nette and Shelton might have to do such a thing. "The only reason they would do it is because (Morgan) told them to," he said. Ultimately, the jury sided with Levco.

Lawson, Rokita comment on verdict

Secretary of State Connie Lawson reacted to the Morgan conviction by saying, "I'm pleased the jury found Butch Morgan, the former chair of the St. Joe County Democrat party guilty on all counts. Tampering with an election makes citizens question the integrity of our electoral process and our government. This behavior can't be tolerated and this verdict will serve as a warning to those who ponder jeopardizing the security of our elections in the future."

Lawson added, "Prosecuting election fraud and tampering is tricky because it can be hard for juries to understand, but Special Prosecutor Stan Levco stepped up to the challenge and did a wonderful job on this case. As a former county clerk, chair of the Senate elections committee and now chief election officer, I recognize that I'm probably more passionate about election integrity and security than most, but these are battles that must be fought. I applaud the South Bend Tribune and Howey Politics for digging this up and Congressman Rokita for pushing prosecutors to take this case."

U.S. Rep. Todd Rokita said, "For eight years as Indiana's Secretary of State, my main goal was to make sure Hoosiers would regain and maintain confidence in the election process. If people don't have confidence that their votes count and count equally with others, they won't participate. If they don't participate, we can't 'keep the republic.' So, we set out and built Indiana's statewide voter file, installed new voting equipment, implemented a common sense photo ID law, and made voting more convenient by harnessing technology so that voting centers could be used if counties chose to do so. We also changed Indiana law regarding third party voter registration and tightened some of the voting registration laws generally."

Lawson not only continues this work, Rokita added, but helped write some of these provisions into law at the time.

"A couple of these very tools, along with some top-notch journalism, helped identify the fraud of which one of the highest leaders of the Indiana Democratic Party has been found guilty," said Rokita. ❖



Watching the legislative sausage making machine

By **CRAIG DUNN**

KOKOMO — This is the tale of the sausage machine.

For those of you who grow faint at the first sign of guts and gore, the sausage-making process that we refer to as the Indiana Legislature must have truly made you weak in the knees. In a process that is somewhat akin to a regular season NBA game, (where both teams play listlessly for three quarters and ten minutes and then in the final two minutes try to make you remember why you bought a ticket) the Indiana House and Senate went deep into the fourth quarter before they showed us their stuff. You had to leave the Statehouse with a pretty good feeling about the outcome.



This can't be emphasized enough. Every legislator I talked to remarked on how productive an atmosphere it was without the annual ordeal known as the "Pat Bauer Hot Tub Follies." Despite the blow to the gross domestic

product of Champagne, Ill., this legislative session amazed many veterans in the General Assembly by featuring bipartisan cooperation on many pieces of legislation. In fact, legislation regarding school absenteeism, school gang policies, control of pseudoephedrine, artisan distilleries, rating systems for colleges of education, restricting financial aid for waiver graduates, creating a pre-school pilot program, school calendars for high performing schools and workforce development passed with either overwhelming majorities or unanimously.

These types of overwhelming consensus votes are usually reserved for designating the official Indiana state pie. It was interesting to see bipartisan coalitions in opposition on other issues. It gave the appearance that some actual thought was being used by individual legislators.

It was a tribute to the leadership of Governor Pence, Speaker Bosma and President Pro Tempore David Long that they did not take advantage of super majorities in both houses to ram draconian changes down the throats of their loyal opposition. I truly believe that some Democrat propagandists expected legislation mandating kindergarten pupils carry assault rifles as they recited the Lord's Prayer on their way to burn down Planned Parenthood

clinics and gay counseling services.

In fact, there were so many Kumbaya moments during the legislative session that Democratic media pundits had to resort to a fictitious drum beat that Governor Pence and the Republicans in the legislature didn't know how to play nice with each other and the Statehouse was in disarray. In short, some statewide journalists resorted to the time-honored tradition of, if there isn't a story, make one up.

Obviously, the most significant achievement of this legislative session was the passage of an honestly balanced budget that will provide Hoosier taxpayers with record tax relief. Featuring a 5% income tax cut, elimination of the inheritance tax, reduction of corporate taxes and taxes on financial institutions, while at the same time increasing funding for education and transportation, the governor and the legislature can be proud of this singular achievement.

No other state can boast tax reductions of this magnitude and it serves as a signal to those pundits who sit and wonder what can be done to further the tide of fiscal progress launched by former Governor Mitch Daniels.

Of course, it just wouldn't be the silly season of the General Assembly without the prowling of the halls by special interest advocates and the introduction of their special legislation. The hallmark of special interest legislation is that a discerning individual's first response to reading the legislation is to ask, "Where did that one come from?" or "Who's got their hand in my pocket?"

This session's grab bag of special interest legislation included handouts for the Indianapolis Motor Speedway, expansion of table games at racinos, more stringent regulatory review of the Rockport coal gasification plant, restructuring of Marion County government and mass transportation.

Much of the arm twisting, cajoling, wooing and deal making on these pieces of legislation took place over a glass of Maker's Mark while smoking a good cigar. It was a game of inside baseball and taxpayers removed from Marion County and its donut counties were left to sit in wonder over the spirited negotiations involving these pieces of legislation.

I'm sure some retiree in Porter County just couldn't fathom why the billionaire Hulman family needed \$100 million Indiana tax dollars to "improve" their racetrack. If a ticket tax of \$5 to \$25 per ticket is enough to take the Hulmans to Nirvana, why didn't they just increase the ticket prices themselves?

What about expanding table games to the racinos? A trip down the memory lane of Indiana gaming history is revealing. I'd like to ask the legislators who voted for the first Indiana lottery if they really believed all that hokum about gambling not getting a toehold and beginning an



uncontrollable expansion. What amazes me is that some legislators still seem to believe that we are more virtuous because we haven't allowed real people to deal blackjack and spin a roulette wheel.

You can lose all the money that you want gambling at the racinos, just don't lose it to a human. Let's face it folks, the state is financially addicted to gambling revenues and it will only be a matter of time before Wayne Newton's Review headlines Super Bowl week in Indianapolis.

With all the drama and heroics coming late in the fourth quarter, a dispassionate observer might be tempted to wax philosophically why we even bothered to play the first three quarters of this legislative session. This year, the final few minutes of the session were worth the price of the ticket for the entire game. ❖

Dunn is chairman of the Howard County Republicans.

In the tax cap era, you get what you pay for

By **MAUREEN HAYDEN**

INDIANAPOLIS — Indiana Gov. Mike Pence may see the 5% income tax cut delivered last week by the General Assembly as a "great victory" for Hoosiers, but for Matt Greller and the local governments he represents, it was the \$215 million in new road repair money that was the real win of the 2013 session.



Greller, head of the Indiana Association of Cities and Towns, is witness to what a decade of dwindling highway dollars from the state to local communities has meant.

As a boy growing up in Brown County he remembers when the gravel road in front of his family's home was paved for the first time. "It was an event," Groeller said. "We all came out to watch."

Now that road has been turned mostly back to gravel because the county has lacked the money to pay for repairs.

A few weeks ago, while Indiana's first-term governor was traveling the state boasting of the state's surplus and promoting his grand vision of a 10% tax cut as an economic stimulator, the Brown County Commissioners were finalizing details of a \$2 million loan they've taken out to patch up miles of crumbling roads.

It's a story that could be told in communities across the state that have miles of roads gone to pot. In the years between 2000 and 2010, the major sources of road repair money collected by the state and doled out to local governments dropped by about \$100 million.

Evidence of the lack of investment in local infrastructure can be seen on back roads and main roads in almost every county in Indiana. In 2009, studies done by

Purdue University's Local Technical Assistance Center and by the American Society of Civil Engineers estimated it would take more \$800 million to fix just half of all county paved roads in Indiana that are badly need of repair.

Michael Hicks, a Ball State University economist and self-described fiscal conservative, remembers finding himself in what he calls the "rare position" of arguing for a tax hike a few years ago when he urged his county council to adopt a local wheel tax to pay for road repairs.

"I was driving to work every day over some of the worst roads I've ever traveled," Hicks said. "They were as bad as any I've driven, including the roads I'd driven during the extensive years I spent in Asia and Africa."

Hicks thinks the \$100 million drop in highway funding is misleadingly low. While it represents the drop in state highway fund dollars from the state to the locals, it doesn't include the walloping hit from the property tax caps ushered in the by General Assembly in 2008.

Those caps, approved by 70 percent of voters in a 2010 referendum, imposed austerity on local governments, which rely on property taxes as a main source of funding for public services.

Hicks and Greller view the long-term value of the caps differently (Hicks is more optimistic they'll eventually force local government consolidations and efficiencies) but both agree on this: Bad roads don't just lead to damaged cars and irritated motorists. They damage a community's prospect for growth and economic development.

It's not hard to find irony in the political decisions from the past. Two years ago, it was Republican Gov. Mitch Daniels, a champion of tax and budget cuts, who scornfully derided: "Michigan and Illinois are grinding road back into gravel. They can't even fix what they have."

Here we are, now admitting to the same and having to face a clichéd but stark political truth: You get what you pay for. ❖

Maureen Hayden covers the Statehouse for the CNHI newspapers. She can be reached at maureen.hayden@indiana



Worth of any session is in the eye of the beholder

By **RICH JAMES**

MERRILLVILLE - The worth of any session of the General Assembly is in the eye of the beholder.

Gov. Mike Pence hailed the Legislature's work, saying it made the state more business-friendly while allowing Hoosiers to keep more of their money.



What Pence failed to say is that he lost face because the legislators – particularly his own Republicans – failed to embrace his call for a 10% income tax cut. Instead, a cut from 3.4% to 3.3 percent was approved. The cut will grow to 5% by 2017.

Pence did score with the immediate elimination of the inheritance tax and tax cuts for banks and businesses.

In the end, the income tax cut was more about Pence and his promise on the campaign trail than to making life better for most Hoosiers.

For a guy making \$50,000 a year, the cut was a slap in the face. That taxpayer will save about \$50 a year, which breaks down to about 14 cents a day. At that rate it will take a week to save enough to buy a cup of coffee. With the Republicans holding the governor's office and supermajorities in both houses, it's not surprising this legislative session was dominated by conservative issues at the expense of those who are more progressive.

Legislators took another shot at public schools by making it even easier for some to receive vouchers to move their children to charter schools.

And while there was slightly more money for roads and education, the state won't be paving a highway to heaven.

And the conservatives passed legislation designed to make it even more difficult for some to receive an abortion.

While the budget in general did little to help the middle class, it could have been worse for those at the bottom of the income scale. At the last minute, legislators killed a proposal to require drug testing for welfare recipients.

Perhaps the most significant move of the session for lower and middle class individuals was changing the state's criminal code, which will result in lower sentences for many convicted of lesser crimes, specifically drug of-

fenses. It will be phased in.

Northwest Indiana legislators came home with half a loaf.

Freshman Rep. Hal Slager, R-Schererville, got the levy freeze lifted on all taxing districts in Lake County.

That, however, was a hollow victory for Democrats who had been seeking elimination of the freeze.

Lake County legislators said Slager's bill was nothing but a political move to make Democrats look bad for pushing for an income tax. The freeze was imposed in 2007 because the county refused to adopt the income tax. Lifting the levy freeze will provide just over \$4 million in new money annually, far less than what taxing units need to operate.

In the face of further competition from other states, Northwest Indiana and Southern Indiana casinos failed to win approval to build land-based facilities adjacent to their casino boats.

Losing out on a land-based casino was particularly hard for Gary, which has been pushing for a casino along Interstate 94. Gary's two casino boats at Buffington Harbor continue to trail all Indiana casinos in terms of revenue. There were two pluses for Gary, and for that matter, Northwest Indiana as well. Let's say potential pluses.

The Legislature approved \$500,000 to study the need for a trauma hospital in Gary.

It also ordered a study to determine the need for a deep-water port in Gary to lessen the burden on the Port of Indiana in Porter County.

Unfortunately for Lake County, there was no change of heart by Pence or his Republican cohorts to fund the replacement of the Cline Avenue bridge as a freeway, rather than a toll road.

All in all, Pence had a fair performance given it was his first year as governor. He failed, however, to vow that the state will continue to supply its share of NWI Regional Development Authority funding when the current commitment runs out in just over a year. ❖

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



Coats, Donnelly took opposite stands

By JACK COLWELL

SOUTH BEND – A statewide poll shows that Joe Donnelly and Dan Coats, Indiana’s U.S. senators, took stands opposed by a majority of their Hoosier constituents - one on gay marriage, the other on background checks for gun purchases.



The poll was conducted for Howey Politics Indiana, April 18-21, by a professional pollster also involved in 2012 Howey polls showing that Sen. Dick Lugar would lose in the Republican primary and Democrat Donnelly would win the Senate seat in the fall.

Now, the pollster finds that 55 percent of Indiana registered voters oppose Donnelly’s decision to support gay marriage.

And Coats, the state’s Republican senior senator, took a stand differing with views of 83 percent of the Hoosiers when he voted to kill expansion of background checks for gun purchases in the compromise proposal of two conservative senators, Republican Pat Toomey, R-Pa., and Joe Manchin, D-WV.

Whether either will suffer politically later for those stands now is difficult to evaluate. Coats isn’t up for re-election until 2016; Donnelly not until 2018.

Issues change.

Gays in the military once was a big issue. Not now. Whether background checks for gun purchases remain a big issue in 2016 probably will depend on whether there are more Newtown-type school shootings or other mass killings involving guns. Public support on gun legislation peaks right after such incidents, then tends to fade. Howey pollster Christine Matthews finds strong sentiments in both opposition to gay marriage and support for background checks for gun purchases.

Of the 55 percent opposing Donnelly’s decision on gay marriage, she says:

“And when they say oppose, they mean it. Forty-seven percent strongly oppose, while 27 percent strongly favor.”

Age and party affiliation are key factors. Three-fourths of Democrats under age 45 support Donnelly’s decision on what they regard as “marriage equality.”

Younger voters in both parties and among independents tended to be more supportive. Overall, percentages of support were: Democrats: 59; Independents: 38 Republicans: 20.

Will gay marriage still be an issue when Donnelly runs in 2018? Polls nationally show rapidly increasing support for it. But will many Hoosiers who now “strongly oppose” Donnelly’s decision still regard it in ‘18 as a reason to vote against him? If so, would most of them be Republicans who wouldn’t vote for him anyway? Also, would Donnelly have risked losing his party base, especially with younger voters, if he had taken an anti-gay-marriage view. Background check supporters also really mean it, with 72 percent “strongly” in favor.

Pollster Matthews said more than eight in 10 gun owners as well as 88 percent of voters without guns supported strengthening background checks, actually checks defined in a more sweeping way than proposed in Toomey-Manchin.

The poll question was: “Do you favor or oppose requiring all gun buyers to pass a criminal background check, no matter where they buy the gun and no matter who they buy it from?”

Will background checks for gun purchases still be a big issue in 2016, when Coats is up for re-election? And will his part now in killing the expansion of checks be remembered then - with anger by present strong supporters of background checks; fondly by the National Rifle Association.

For Coats, political concern now is more with the Republican primary, where the NRA and national conservative organizations that helped to defeat Lugar could oppose him if he appears at all “moderate” in votes. Coats wasn’t the Tea Party favorite last time and had a middle-range NRA rating in the past.

Would any backlash against Coats in the fall of ‘16 be almost all among Democrats who wouldn’t be for him anyway? Would Coats have risked even making it to that fall election if he voted for background checks, thus enhancing chances of a Republican primary challenge?

Of Hoosier voters in the scientific sampling, with cell phone as well as land-line users contacted, 47 percent said someone in their household currently owned a gun or rifle and 13 percent said there was an NRA member in the household.

Looking at it the other way - senators on the same side as a majority of their constituents - Coats opposes legalizing gay marriage and Donnelly, though opposing other parts of the Toomey-Manchin proposal, voted for expanding background checks. ❖

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



Transit proposals are game changers

By **MORTON J. MARCUS**

INDIANAPOLIS — After baseball, my favorite TV watching is the government channel. Here I can see the local government in action or local government inaction.



I delight in the good times offered by the city council. The folks on the zoning board are frequently asked to consider the most important questions about land use and the future of the community.

No reality show compares to these for drama.

Sometimes I will hear a public official say something profound, but more often I hear statements revealing determined ignorance of the workings

of the world.

Case in point: the councilman who says that the local bus system should not cost taxpayers anything; the fare box should support the operating costs of the system. The history of mass transit disproves this idea time and again.

Private companies could not make a go of it when they ran bus and trolley systems. Once local governments took over, they too found out that ridership does not support the costs of operations.

Transit systems have been unable to break even because of the tremendous competition from the private automobile, aided by extensive tax subsidies. (Think about taxpayer-paved roads and low property taxes on parking lots.) That, however, is history. The auto is not going away, yet public transit does have a future, if we do not hold false ideas about it.

Convincing evidence must be developed to show the benefits of transit systems to non-riders. Whether this is in the form of reduced congestion and pollution or better access to jobs and medical services depends on the circumstances.

However, it is the long-term reshaping of our cities that is most important. Fantasies about young professionals and their preferences are not nearly equal to the ultimate redistribution of economic activity within the urban area that transit can influence.

The state legislature shuttled to study committees two Indiana examples of transit expansions. Marion/Hamilton and Lake/Porter counties are seeking improvements in their mass transit systems. In both cases there have been favorable studies and powerful advocates at work. How-

ever, the legislature is not satisfied. Nor should they be.

The Marion/Hamilton proposal calls for a mix of intensified bus service and some form of express service. Whether this would be light rail or something else has not been determined. Advocates want to push ahead with a referendum authorizing a taxing district without providing the specificity that would give voters a fair idea of what their taxes would be supporting.

The Lake/Porter proposal calls for a major expansion of the South Shore Line to Lowell and Valparaiso. This concept is advanced without consideration of the implications for land use, housing, utilities and schools in the region. The idea would extend urban sprawl and work against the redevelopment of established communities.

In both cases, a modernized bus system might provide more flexible and beneficial services.

Whether the study committees will look beyond the current proposals and give the subject detailed examination is yet to be determined. ❖

Mr. Marcus is an independent economist, writer and speaker. Contact him at mortonjmarcus@yahoo.com

The Washington Post
SATURDAY, DECEMBER 29, 2007

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

HOWEY
Politics Indiana



Dana Millbank, Washington Post: House conservatives met Wednesday for the latest installment of their "Conversations with Conservatives" luncheon series, but they took their places on the dais without sampling the Chick-fil-A sandwiches and nuggets on offer. These days, House conservatives prefer to eat their own. Republican leaders had scheduled a vote in the chamber for Wednesday on a plan to help people with preexisting health problems get insurance — part of a broader scheme by Majority Leader Eric Cantor (Va.) to make Republicans appear to care about the little guy. But the conservatives lunching in the Rayburn House Office Building weren't biting. One after the other, they vowed to defeat the Republican leaders' bill, which they said was not much better than President Obama's health-care reform: "I'm going to vote no," said Jim Jordan (Ohio). "I'm a 'no' on expanding Obamacare," said Tim Huelskamp (Kan.). "I feel very uncomfortable that we're moving this bill forward," said Marlin Stutzman (Ind.). "I don't like seeing one big-government Democrat program replaced by a Republican big-government program," said Trey Radel (Fla.). The five other men on the dais — Mick Mulvaney (S.C.), Steve Scalise (La.), Justin Amash (Mich.), Ron DeSantis (Fla.) and Raul Labrador (Idaho) — also declared their plans not to back the bill. At the leadership team's morning news conference, The Post's Paul Kane asked Cantor if he had the votes to pass his Helping Sick Americans Now Act. "Well, listen, this is — that is the whip's purview," Cantor replied, shifting the blame to Majority Whip Kevin McCarthy (Calif.). McCarthy had no good answer, so he quoted a movie line. "The first rule of Fight Club: We don't talk about Fight Club," he said. ❖



David Brooks, New York Times: It was always going to be difficult to implement Obamacare, but even fervent supporters of the law admit that things are going worse than expected. Implementation got off to a bad start because the Obama administration didn't want to release unpopular rules before the election. Regulators have been working hard but are clearly overwhelmed, trying to write rules that influence the entire health care sector — an economic unit roughly the size of France. Republicans in Congress have made things much more difficult by refusing to provide enough money for implementation. By now, everybody involved seems to be in a state of anxiety. Insurance companies are trying to put out new products, but they don't know what federal parameters they have to meet. Small businesses are angry because the provisions that benefited them have been put on the back burner. Health care systems are highly frustrated. They can't plan without a road map. Senator Max Baucus, one of the au-

thors of the law, says he sees a "huge train wreck" coming. I've been talking with a bipartisan bunch of health care experts, trying to get a sense of exactly how bad things are. In my conversations with this extremely well-informed group of providers, academics and former government officials, I'd say there is a minority, including some supporters of the law, who think the whole situation is a complete disaster. They predict Obamacare will collapse and do serious damage to the underlying health system. But the clear majority, including some of the law's opponents, believe that we're probably in for a few years of shambolic messiness, during which time everybody will scramble and adjust, and eventually we will settle down to a new normal. What nobody can predict is how health care chaos will interact with the political system. There's a good chance that Republicans will be able to use unhappiness with what is already an unpopular law to win back the Senate in 2014. Controlling both houses of Congress, they will be in a good position to alter, though not repeal, the program. The law's biggest defenders will then become insurance companies and health care corporations. Having spent billions of dollars adapting to the new system, they are not going to want to see it repealed or replaced. First, there is what you might call the structural cascade. Everything is turning out to be more complicated than originally envisioned. The Supreme Court decision made the Medicaid piece more complicated. The decision by many states not to set up exchanges made the exchange piece more complicated. The lines of accountability between, for example, state and federally run exchanges have grown byzantine and unclear. A law that was very confusing has become mind-boggling. That could lead people to freeze up. Insurance companies will hesitate before venturing into state exchanges, thereby limiting competition and choice. Americans are just going to be overwhelmed and befuddled. ❖

Abdul-Hakim Shabazz: In the debate over guns, I have become somewhat amused and befuddled over the chatter regarding background checks. As you are probably aware, the U.S. Senate failed to pass a measure that would have expanded universal background checks for Internet and certain gun show purchases. Some Second Amendment advocates say the expanded background checks will lead to gun registration and the government will know who has guns and where they are, which will make gun confiscation all that much easier when that day comes. With all due respect, someone has been watching too many reruns of "Red Dawn" on Netflix. First of all, the idea is completely ridiculous. Second, if you're reading this column right now, someone somewhere probably has composed a profile of you. ❖



Meredith elected to head ISTA

INDIANAPOLIS - Teresa Meredith, an elementary teacher from Shelbyville, has been elected president of the Indiana State Teachers Association, replacing long-time leader Nate Schnellenberger (Indianapolis Business Journal). Meredith, the ISTA's vice president, will begin a three-year term beginning Aug. 1. Schnellenberger had been ISTA's president since 2007 and served as the public face of the teachers' union during a period of major changes in Indiana public education. Under his leadership, ISTA unsuccessfully opposed the move by Gov. Mitch Daniels and former state schools chief Tony Bennett to roll back the bargaining rights of teachers' unions and to introduce merit pay for public school teachers. ISTA also opposed a new voucher program to fund students who attend private schools, even taking a legal case against the program all the way to the Indiana Supreme Court, where it was upheld. Even before those fights, the ISTA had been weakened during Schnellenberger's term when the association sustained heavy investment losses due to poor investment choices by its financial adviser. The operations of the association was taken over by the National Education Association, and many perceived the ISTA as a smaller force after that in its lobbying and campaign finance work.



Glitch halts ISTEP testing

INDIANAPOLIS - School districts across Indiana suspended the first day of ISTEP+ online test-

ing Monday because of computer issues that kicked many students off the exam (Associated Press). Testing was halted in districts including Indianapolis, Carmel, West Lafayette and Brownsburg. Schools in Shelby and Tippecanoe counties also reported problems. Indiana Department of Education officials said 27,000 students were affected. The testing contractor, CTB McGraw-Hill LLC of Carol Stream, Ill., said it was working to resolve the problem. School officials reported that computer screens froze for up to five minutes at a time and that students were forced to log back into their computers repeatedly. The Indianapolis Star reported that some students were able to complete the test but that it took twice as long as planned. CTB McGraw-Hill has a four-year contract with the state worth \$95 million to administer the test.

Coats speaks at new IU school

BLOOMINGTON - Indiana University broke ground Monday on a building for its new School of Global and International Studies. IU trustees approved the school in August (Jenkins, Indiana Public Media). The new school will be located on 10th Street, near the Herman B Wells Library, on IU's Bloomington campus. Housed in a new four story, 165,000 square foot building, the School of Global and International Studies will offer a number of bachelor and master's degree tracks as well as doctoral degrees. Senator Dan Coats gave the keynote address at the groundbreaking ceremony. He predicted the school would be a great success, pointing to people such as former representative Lee Hamilton and former senator Richard Lugar, who will both teach at the school. Coats called the two men "gifts to the university" and said IU was lucky to have whom he called the nation's two

foremost experts on foreign policy as professors. "No other school of international studies in our nation, has such a superb set of congressional titans as these two professors of the practice," Coats said.

Obama calls gay NBA player

WASHINGTON - A groundbreaking pronouncement from NBA veteran Jason Collins — "I'm gay" — reverberated Monday through Washington, generating accolades from lawmakers on Twitter and a supportive phone call from President Barack Obama (Associated Press). Hours after Collins disclosed his sexuality in an online article, Obama reached out by phone, expressing his support and telling Collins he was impressed by his courage, the White House said.

Simplified health form unveiled

WASHINGTON - The first draft was as mind-numbing and complex as tax forms (Associated Press). Now the Obama administration is unveiling a simplified application for health insurance benefits under the federal health care overhaul. Details to be released Tuesday include a three-page short form that single people can fill out, administration officials said. Medicare chief Marilyn Tavenner, also overseeing the rollout of the health care law, called it "significantly shorter than industry standards." The earlier draft of the application was widely panned, and administration allies feared uninsured people would give up in frustration. Administration officials say they have trimmed the paperwork burden back considerably. Although the new forms may be shorter, it's unclear whether the administration can get rid of all the complexity.