



# Hoosier Comet: Rise & fall of Bennett

Superintendent rose from obscurity, implemented reform and then he was gone

By **BRIAN A. HOWEY** and **MAUREEN HAYDEN**

INDIANAPOLIS – There’s a poster from a March 1997 edition of the Evansville Courier in my office in Nashville featuring a Hale-Bopp era photo by Bob Gwaltney titled “A Comet Visits Indiana.”

Staring at this poster in the wake of the



Tony Bennett resignation last week, the metaphor struck: Bennett was Indiana’s education comet, coming from seemingly nowhere in early 2008, becoming a partner with Gov. Mitch Daniels. The tandem ushered in a historic series of administrative and then legislative reforms that rocked the Hoosier education establishment.

And then, just like that, Tony Bennett was gone.

Bennett became a political and



policy flash in the pan. Like Hale-Bopp, he had been on the charts as a relatively obscure school superintendent in Floyd County. He earned his doctorate from Spalding University in 2005, just three years before he became a household name.

Sources have told HPI over the years that Daniels had a detailed script of how his eight years in the Indiana governorship would go. In his first two years, he “weeded the garden,” balancing the Indiana budget after a decade of smoke and mirrors. He instituted a moratorium on municipal construction, forged the Healthy Indiana Plan

**Continued on page 4**

## The death of Obamacare?

By **JACK COLWELL**

SOUTH BEND - Fearing that Obamacare could grow to be popular, Republicans in Congress want to kill it in its crib. They want no Obama legacy of successful health care reform.



With the infant Affordable Care Act scheduled to take its first steps toward signing up the uninsured on Oct. 1, President Obama is trying to protect it from the detractors in Congress and Republican governors such as Indiana’s Mike Pence, who also want its demise. Obamacare, as the plan now is



**“Upon our preliminary examination, the Department has verified that there was manipulation of calculation categories. There are broader issues that need to be examined.”**

- Supt. Glenda Ritz



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called by friend and foe alike, will be – if it works – one of the President's proudest achievements, helping to determine his place in history. The results, success or failure, will have political ramifications for decades to come.

Politics overshadows policy now. And those who support the plan as well as those who oppose it are guilty of some misleading claims that confuse Americans about the plan and the state of health care in the nation.

**Some parts of the plan**, when Americans are asked about them separately, have support: Eliminating pre-existing-condition restrictions and lifetime caps in coverage, letting children stay longer on their parents' plans, getting more people insured and requiring insurance companies to spend more of premiums on actual health care.

But there is widespread skepticism over whether the plan will work. Will it really improve health care and hold down the rising costs of both care and coverage, as supporters claim? Or will it be "a train wreck," hiking costs and endangering care, as claimed by those who despise it and the man for whom it's named?

A Wall Street Journal/NBC poll last month found only a third of Americans believe the health-care law is a good idea.

Still, a majority, 51 percent to 45 percent, said congressional Republicans should stop trying to do everything they can to keep it from being implemented.

The two findings aren't in contradiction. Americans are very skeptical about the plan as they wade through all the political claims and counterclaims. They also know that the plan was upheld by the Supreme Court and that Obama was re-elected and can veto any repeal. So, they would like to see more compromise at getting something done rather than just sabotage in Congress.

Governors also play a key role

as the infant plan takes its first steps. In upholding the health care law, the Supreme Court said states could decide whether to operate it through expansion of Medicaid, as the plan was designed to do.

States with Democratic governors have tended to opt for the Medicaid expansion. And states like California, Oregon, Washington and New York claim the results are projected big savings for consumers. New York announced premiums there are expected to be 50 percent lower next year.

Are they overly optimistic?  
Probably.

In other states where Republican governors are unalterably opposed to Obamacare and implementing it through Medicaid – such as in Indiana, with Pence denouncing the plan – there are pessimistic forecasts.

Are they overly pessimistic?  
Probably.

The Pence administration announced the average health insurance plan in Indiana will increase by 72 percent next year to \$570.

Fact-checkers in the news media such as Sarah Kliff of the Washington Post, said that was an unsubstantiated number concocted just to make the cost of health insurance sound expensive, kind of like the "spin" in the opposite direction that she found in California.

**Kliff said Indiana's** figure came from "squishing together" all the plans, from cheapest to the most expensive ones that cover 90 percent of costs, even though Romneycare in Massachusetts showed that the vast majority of consumers will take the cheaper plans.

There are four types of plans, the lower cost "bronze" and "silver" and the more generous and more expensive "gold" and "platinum."

Rick Ungar of Forbes.com cited this evaluation of the Indiana claim: "That's like saying the average cost of a car in an Indiana dealership



is \$100,000 because it sells \$20,000 Fords, \$60,000 BMWs and \$220,000 Lamborghinis - technically true, but highly misleading."

Also highly effective?

Perhaps. If all the negative attacks keep too many of the uninsured from signing up, the predictions of failure and hopes for demise of the infant Obamacare could be

realized.

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

## Navigating the new HPI, and the Daily Wire

### Dear HPI Subscriber:

On Wednesday, we unveiled the new Howey Politics Indiana website. It brings our readers many new features, such as the photo galleries, links to social media, a reader poll, and archives to past editions and our scientific polling program. In the near future, we will be adding videos and podcasts.

The new site works off of the Going1Up 6.0 software, the innovative platform by our Kokomo-based web host. Making these changes will keep Howey Politics in technological tune with the rapidly changing aspects of the Internet.

There are two other big changes.

First, as our news and commentary content are written and edited, these articles will be posted on the HPI website in real time, as opposed to waiting until Thursday morning for the weekly edition. Many of our readers spend a great deal of time scanning the web, and what we promise will be an ever-changing website featuring great content and photos.

We realize that some of our readers aren't on the Internet as much and prefer the weekly edition of HPI, something we've published since August 1994. For these readers, the weekly HPI will still be published on Thursdays in a PDF format. This will also allow us to manage our archival content which is available under "Members Archives" on our website as well as the Indiana State Library Archives.

Second, the HPI Daily Wire will be going through its most significant formatting change since we began publishing it 13 years ago.

This new format provides the top stories - many of you depend on Howey Politics to use our news judgment to prioritize our topical news - our daily analysis, and a list of headlines broken down into four basic categories: State, National, Local and Campaigns. It will save you time to be able to quickly scan the headlines.

If you click on the headlines in the Daily Wire, it will take you to you to that brief. If you click on the "+" sign in the box to the left of the story, it will expand that brief amid the list of briefs. When you're done, click on the "-" in the box and it will return you to the headline list.

There have been some bugs we need to work on with this new format. Over the next several days, we will publish the HPI Daily Wire in both its new format, and the old format. We'd like your feedback on the new.

There's another reason we've gone to this format. Not all our readers are paying subscribers to Howey Politics. Some get the HPI Daily Wire as people copy and paste content to non-payers.

The best way for people to receive the HPI Daily Wire is to subscribe, or if there are a group seeking this vital information, we can design a licensing package that provides for multiple readers on a cost-effective basis.

Between now and Aug. 30, we'll offer a 10% discount to any of our non-subscribing readers. This offer is only available if you contact Ray Volpe directly at howey-info@gmail.com or 317-602-3620.

As publications such as the Indianapolis Star have declined in content, the HPI Daily Wire is the most thorough executive briefing report available on Indiana politics and public policy, from the Statehouse to Capitol Hill.

Welcome to this new, exciting era of HPI.

**Brian A. Howey**  
Publisher

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## **Bennett,** from page 1

and in 2006 introduced the Major Moves Indiana Toll Road lease that would pump more than \$3 billion into the state's highway system.

But 2006 was a fateful year with many elements beyond Daniels' control. While Major Moves was highly controversial, the Republicans didn't lose a single House seat in Northern Indiana over the issue. But it was President George W. Bush's final mid-term election, the Iraq War was extremely unpopular, and Daniels lost the House majority when a Democratic wave election swept through the state, claiming a handful of House Republicans and three congressional seats. Now, he had to deal with that Democratic car bomber of a speaker, B. Patrick Bauer.

The governor's local government reforms were stymied, as was his other priority, education reform.

### **Decades in the making**

Education reform had been on Daniels' mind for decades. In a May 15, 1988, commencement address at Maryville College in Tennessee, the CEO of the Hudson Institute said, "Many of you, one hopes, will assume the teacher's role, literally. At a time when the collective brainpower of its people is the decisive factor in a nation's success, America risks decline at the hands of a selfish and incompetent public educational establishment. As a national commission reported when you were high school juniors, 'If a foreign power set out to undermine the United States, it would start by giving us the public education system we have today.' Twenty million Americans are illiterate and millions more are unprepared for jobs of the future."

In 1990 at a University of Indianapolis address, Daniels cited the "global classroom" and said, "The final exam will determine whether mankind can find meaning amid its hard-earned affluence."

And just a month before Bennett emerged as a nominee for superintendent of public instruction, Daniels

told an Ivy Tech Commencement ceremony that Indiana was a latecomer to the community college system. "We have to catch up here as in other dimensions," he said. "We have big growth plans for this state."

The loss of the Indiana House in 2006 was only part of the ruling problem. He had acquiesced during his initial run for governor to another term of Supt. Suellen Reed in 2004, her fifth. Daniels saw Reed as an obstacle

who controlled DOE and did not share his reform visions. Any policy division between the two Republican office-holders would draw media attention. And she had DOE resources.

But as 2008 rolled around, it was clear that Reed had lost the governor's imprimatur and she was convinced to delay any reelection announcement.

It was Todd Huston who introduced Daniels to Bennett in 2007, according to Indiana Chamber of Commerce Vice President Derek Redelman.

"It was pretty ironic," Bennett said. "I would submit to you that Gov. Daniels couldn't have picked Tony Bennett out of a lineup in October 2007" when he decided to run for superintendent of public instruction. "The only time I had met him was in April 2006 when President Bush attended an elementary school in New Albany. Gov. Daniels did the introduction and because I was part of the operation, I had the opportunity to meet him, we shook hands for

about 10 seconds and I don't think I made that big of an impression."

Bennett decided in late 2007 at the urging of Huston and others to challenge Reed, whom they had wanted to replace every four years since her first 1992 win. There had been several statewide searches for a local superintendent who had the stomach for reforms. He finally met with a cautious Daniels between Christmas and New Years.

"I actually declared in January 2008," Bennett said.



**Gov. Daniels with Supt. Suellen Reed during his first campaign in 2004. Daniels would meet with Tony Bennett in late 2007 and endorsed him in February at Columbia City.**



"Dr. Reed didn't officially get out until May." He said that after declaring his candidacy, Daniels and he talked and the governor "liked what he heard and saw. That's how it happened. Maybe it was divine providence."

At the Whitley County Republican Lincoln Day dinner in February 2008 in Columbia City, Daniels indicated he would back Bennett.

Clearly the governor was looking for a close ally at DOE, and Tony Bennett filled the bill. He was a pugnacious former basketball coach, with experience in the classroom and as an administrator. He was likable, but brash. Bennett was optimistic, but didn't hesitate to confront what Daniels saw as "stasis" in the education establishment. Like Joel Silverman in his short stint at the Bureau of Motor Vehicles, Daniels needed this ally to help articulate his reform vision for education across the state – often in front of hostile crowds – and make his case before the people and educators.

And like Silverman, Bennett was an enthusiastic disciple as he pushed for an end to half days, the A-to-F grading for schools, new teacher evaluations, increased flexibility for hiring non-traditional educators and part-time teachers, an expansion of charter schools, as well as the initiation of vouchers.

But the circumstances of Reed exiting less than six weeks before the Republican convention and no other candidates surfacing smack of an arrangement. Daniels had too much riding on who occupied the office. A strong governor knows how to clear the decks and this happened for Bennett, though the convention rebuked Daniels by selected Greg Zoeller as the attorney general nominee over his preferred candidate, Valparaiso Mayor Jon Costas. That dynamic would come back to haunt Bennett four years later.

### **Bennett emerges and barely wins**

So out of nowhere – literally in 2007-08 – Tony Bennett appeared, like a spectacular comet.

And he barely won. While Daniels was on his way to an 18 percent win over Democrat Jill Long Thompson, Barack Obama carried the state by 1 percent over John McCain and Bennett defeated a little known Democrat, Richard Woods, by just 51,000 votes.

More importantly, despite Daniels' landslide plurality, for the first time in modern Indiana history a victorious governor did not pull a Republican House in with him. Speaker Bauer was still there. This forced Daniels and

Bennett to work administratively for two more years. They stacked the Board of Education with reformers, advocated the Common Core guidelines, and Daniels went out and recruited what would be known as the House Republican Class of 2010. The governor vigorously raised money and in President Obama's first midterm and with a virulent Hoosier reaction to Obamacare festering, House Republicans won a stunning 60-40 majority.

After a four-year delay, the true education revolution commenced. As Eisenhower and Marshall were to FDR, Bennett would be Daniels' theater general.

"He was the quarterback of the most far reaching education reforms at the state level in the nation's history," said the Chamber's Redelman.

Bennett was a teacher when in 2001 the charter school program was launched in Indiana. "It didn't change it," Bennett said in 2011 of the charters that had been in place for less than a decade. "It had some effects marginally. My point was we've been doing that type of reform for a number of years because it's comfortable. I think what happened was doing reform in that approach, where you're taking that single shot, in times those initiatives have had marginal effects on

overall school performance, student performance. It has really allowed the naysayers to say, 'Look, it doesn't work!'"

"One of the things that is different today is we said, 'Let's change the structures of education. Let's not just institute something new. Let's change the structures that we have built the education system upon.' That is a very different approach than the past. I would also say, I think we haven't said this enough, we did two things: We set up a system that provides options for children and adds an element of competition to the system. But on the other hand, we've also provided the traditional system reforms so they can effectively compete. It was transformative measures that affected the current traditional system and provided for options outside the system at the same time."

Just six months after Bennett was elected, he would be standing in Daniels' Statehouse office presiding over a breathtaking array of reforms. On the first Saturday of May 2011, Bennett joined an emotional Daniels to herald the signing of SEA1 – the teacher evaluation bill – that Daniels and legislative leaders described as "landmark" and even "revolutionary."

"The governor made the comment that this is no



Supt. Bennett in his Statehouse office in 2009. (HPI Photo by Brian A. Howey)



ordinary moment, this is no ordinary General Assembly," Bennett said as Daniels, Speaker Brian Bosma and Senate President David Long looked on. "I think when we think about comprehensive reform we always come back to the fact that when we open a schoolhouse door at 7:30 or 8 o'clock in the morning, there is nothing more important in that child's life than an inspired and inspiring teacher. This General Assembly and this governor have opened the door to honor Indiana's truly inspired and inspiring teachers in no way like we've ever done before. This particular measure has the most direct impact on student performance in our schools, has the most direct impact on economic development for our state's future and it has the most direct impact on making sure that we have a human capital system that carries forward a legacy of great instruction for this state."

So now, the reforms were in place. The basketball style scoreboard outside Bennett's Statehouse office vowed a 90 percent graduation rate, up from 77 percent when he took office. Asked how long it would take the reforms to register success, State Sen. Jean Leising told HPI it would take about five years.

## Reform delayed until 2011

Had Daniels carried in a GOP House in 2008, Bennett might have been seeking reelection with a set of metrics that would bolster his case and show the reforms gaining traction.

Sources tell HPI that the newly elected Bennett wouldn't have been ready to launch the reforms in the 2009 session. The reform package needed to occur in a long session, which meant 2011. They began to take shape in May 2010 in meetings with Daniels and his staff, Bennett and his team and the education ranking members - Robert Behning of the House and Dennis Kruse of the Senate.

But the delay to 2011 meant that the inevitable bugs in the reforms would be working themselves out during the campaign.

And for Supt. Bennett, that was just part of his downfall.

As the Indiana General Assembly came into session in 2012, word began circulating that the A-to-F school grading formula was a problem. Speaker Bosma said that in March of 2012, AFTER the end of the legislative session, "a whole parade of interested parties" came to his office to express their concerns about the new formula that Bennett and the State Board of Education had come up with to calculate the A-to-F grades. That included Chamber of Commerce, ISTA, Indiana Charter Schools Association, and other groups representing both private and traditional public schools.

Bosma said this "parade of parties" was there to express concerns about the preliminary models for measuring A-to-F coming out of Bennett's office. He said the Charter Schools Association ran their numbers, using the preliminary model and could tell that some of their schools

that had been given A grades the year before were now going to get much lower grades under the new model. He said the same was true for some private and traditional public schools.

"It just didn't look right," Bosma said of the results of the new formula, explaining that many school grades were dropping precipitously. "We came very close to putting a moratorium on it until the legislature met again," he said.

Instead, Bosma decided to put together

what he called an "oversight" group to work with Bennett and DOE on revising the model during the summer of 2012. Bosma said there were a number of meetings of this oversight group during the summer where "we looked closely at the reiterations" of the model. And he said there were many reiterations.

Bosma explained, "We still had a lot of questions." After the scores came out in October 2012 (much later than they should have been released), some legislators were also alarmed at the big decline some of their schools saw (Logansport, for example, dropped from an A to a D.) And that's why in House Bill 1427, the General Assembly voted to order the State Board of Education to gut the current A-to-F model and come up with a new model."



Supt. Bennett applauds Gov. Daniels in May 2011 as the Governor signed some of the most sweeping state level education reforms. (HPI Photo by Brian A. Howey)



## Historic irony

And the historic irony is that it was a charter school – not just any charter school, but Christel House sponsored by philanthropist Christel DeHaan – that saw its grade drop from an A to a C. As the emails Tom LoBianco of the Associated Press vetted, that delayed release of the A-to-F data until Oct. 31, 2012, as they worked to move that grade back to an A. The release came just a little over a week before the election.

By this time, Democrat Glenda Ritz's campaign had used social media to network tens of thousands of disaffected school teachers and their families into a grassroots campaign against Bennett. Sources tell HPI that Bennett figured the National Education Association would launch a massive TV ad campaign and he raised just under \$2 million.

What was happening was the stealth social media campaign run on Ritz's behalf by David Galvin. About a month out, Bennett began to get nervous as he and his allies began seeing a large number of Ritz yard signs springing up in small towns around the state, many in the yards of teachers.

Some out-state Republicans who were leery of Common Core and still angered about Gov. Daniels trying to ram Jon Costas into the 2008 attorney general nomination, were looking for payback, according to several western and southern Indiana Republican county chairmen.

The state's most effective Republican vote-getter, U.S. Sen. Dick Lugar, had been jettisoned in the May primary and the nominee, Treasurer Richard Mourdock, imploded with his comments on rape on Oct. 23, that even further alienated female voters, many of whom had witnessed the havoc and disaffection in their schools the reforms had produced. The Mike Pence gubernatorial campaign was flagging under the weight of Mourdock's intemperance and without Lugar leading the ticket.

It was, in essence, a perfect storm.

## Political celibation

But a decision that occurred half a year before was also crippling, turning Tony Bennett's Category 1 political vulnerability into a Category 5 political disaster. That's when Gov. Daniels accepted the Purdue University presidency, then declared that he would become politically "celibate."

The governor, with a popularity in the 60th percentile, would not be there on the campaign trail with his

education reform disciple. There would be no campaign swing shoulder-to-shoulder with Tony Bennett during the homestretch. There would be no Daniels-written clever TV ads for the superintendent.

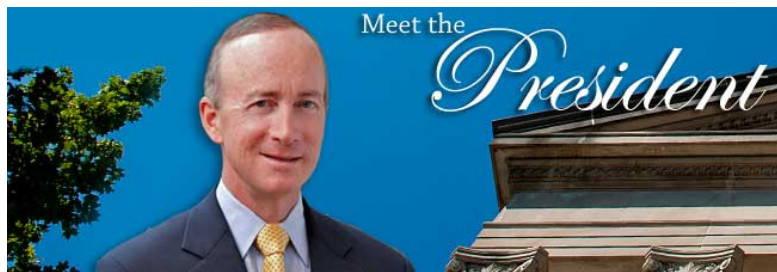
And Tony Bennett lost in the most improbable upset to a little known Democrat he had outspent 10-fold. His education revolution fell to a social media revolution.

A month or so after his defeat, as Gov. Daniels gave his exit interviews, he expressed concern that some of the education reforms would be rolled back now that both he and the superintendent would no longer be there.

With his reform credentials still intact, Bennett found temporary refuge as commissioner of education in Florida. But as his Indiana legacy caught up with him in that "oh crap" moment when preordained charter school grades connected to a wealthy donor created a firestorm that would engulf him, Tony Bennett's comet made a fitful exit, with the angry commissioner citing his Indiana "political enemies."

We've never quite seen anything like it. And with the Bennett demise, it's almost a certainty that the Indiana General Assembly will move to make the superintendent a gubernatorial appointee.

It's the legacy of the Bennett comet. ❖



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## Ritz says A to F 'manipulated'

INDIANAPOLIS - Supt. Glenda Ritz now believes A to F grades for schools were "manipulated" under her predecessor.

In a statement released on Wednesday, Ritz said, "As Superintendent, I am committed to a strong accountability system that is fair and transparent. "In light of recent developments, the Department began a probe into the A-F data system. Upon our preliminary examination, the Department has verified that there was manipulation of calculation categories and the Department has also determined that there are broader issues that need to be examined."

Ritz said she is awaiting the results of an "external review" launched by Senate President Pro Tempore David Long and House Speaker Brian Bosma. She also cited "consideration of other potential investigations, including the Indiana Inspector General, mentioned in press reports."

Ritz planned to meet with Long and Bosma to discuss the probe



## HIP extension decision nears, but expansion fraught with questions

By **BRIAN A. HOWEY**

NASHVILLE, Ind. – The Pence administration is signaling that a decision from U.S. Health and Human Services is imminent on the “extension” of the Healthy Indiana Plan.

With that decision coming possibly as early as next week, there is a gathering recognition that the HHS decision is simply an “extension” for the current 37,000 Hoosiers enrolled in the plan.

Talks with a number of Indiana legislators, health consultants and Pence administration officials reveal there is a perception change under way. A number of sources, speaking on background to Howey Politics, said they initially believed that the waiver request filed by the Pence administration in April was the platform for using that program for the Medicaid expansion. The sources said that was the perception when it was discussed during the long session of the Indiana General Assembly last winter and spring.

“The waiver application Indiana has submitted covers both an extension scenario and potential coverage increase through the Healthy Indiana Plan,” said Pence spokeswoman Christy Denault. “Governor Pence has made clear to Secretary Sebelius that any discussion on a potential coverage increase must start with the Healthy Indiana Plan. As our current waiver expires at the end of this year, the first priority is to secure an extension of the current program.”

Denault added, “We are working diligently with CMS to finalize the details of our waiver. This waiver is similar to the one previously submitted, which was successful.”

The prevailing speculation at the Statehouse was that HHS was unlikely to approve HIP as a vehicle for the expansion of Medicaid. Multiple sources have told HPI that this posed a dilemma for the Obama administration, in that

its denial would end health coverage for the 37,000 Hoosiers already enrolled in the program.

Denault hinted that this particular waiver might be approved.

**But the next step** – using Healthy Indiana Plan as the platform for Medicaid expansion – will likely be much more arduous. And it comes with key Affordable Care Act deadlines coming, with the establishment of state exchanges on Oct. 1 and the full implementation of the exchanges on Jan. 1, 2014.

Gov. Pence has been adamantly opposed to an expansion of Medicaid outside of the Healthy Indiana Plan. In a February letter to Sec. Sebelius, Pence wrote, “Medicaid is broken. 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. Greater flexibility would help states create and manage a program that is consistent with their local values and overcome the bureaucratic and inefficient nature of traditional Medicaid.”

“My priority has been on the physical health of Hoosiers and the fiscal health of Indiana,” Pence told the Associated Press in April. “I don’t think Medicaid serves the physical health of recipients very well. It basically keeps people in emergency room care, it doesn’t promote preventive medicine.”

Pence and senior administration officials were not made available to comment on this story.

Several sources have told HPI that the Healthy

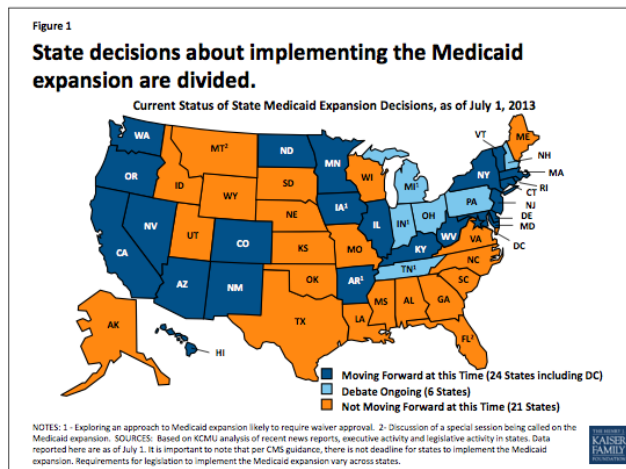
Indiana Plan is not equipped to deal with the Medicaid expansion, which would need to accommodate 400,000 more Hoosiers. Healthy Indiana Plan covers people at a 200 percent of poverty threshold, while the ACA requires those at 138 percent to be covered. One consultant likened the Healthy Indiana Plan to something forged by “baling wire.” They say it is not capable of absorbing up to 350,000 more people by Jan. 1.

The sources tell HPI that the Center for Medicare/Medicaid Services (CMS) would require

massive changes in the Healthy Indiana Plan. “HIP would lose its uniqueness,” one source told Howey Politics.

**Almost all sources** for this story, as well as U.S. Sen. Dan Coats, have told Howey Politics they believe the ACA is simply a gateway for a single payer system.

Multiple sources have told Howey Politics that Senate Appropriations Chairman Luke Kenley and House Ways & Means Chairman Tim Brown successfully inserted \$247







million into the biennial budget that would cover a potential Medicaid expansion. "There is enough earmarked for Medicaid expansion," one source said. "The administration has tools to negotiate for the next two years."

**Potential cost to the state** between 2014 and 2020 range from \$600 million to cover those "out of the woodwork" – current Hoosiers eligible for Medicaid coverage – and up to \$2.5 billion to cover 400,000.

While the ACA would reimburse states for 100 percent of costs in the first three years and 90 percent afterwards, Gov. Pence has expressed vivid skepticism that the financially strapped federal government will honor those commitments. The NWI Times reported that Indiana could receive \$10.45 billion from the federal government for expansion.

But having said that, no one in Indiana has affixed an estimate of what an extension through the Healthy Indiana Plan would cost.

Another prevalent question at the Statehouse is whether the Pence administration has a "Plan B" in case HHS denies a full expansion waiver for HIP. The Kaiser Family Foundation reported: As of July 2013, 24 states and the District of Columbia are moving forward with the expansion, 21 states are not planning to move forward, and there is ongoing debate in six states." Indiana is one of those six states.

Denault told Howey Politics, "Once we know CMS's plans for the Healthy Indiana Plan, we will be better able to discuss our future plans and contingencies."

**There is significant** speculation at the Statehouse that there is no Pence Plan B, and that if HHS rejects HIP as an expansion platform, Indiana will join the 21 states not moving into an expansion. Some Howey Politics sources said that by revealing a "Plan B," the Pence administration would lose bargaining power.

One influential consultant characterized the showdown between the Pence and Obama administrations as a historic "game of chicken."

The NWI Times reported on June 25: Debra Minott, Indiana's secretary of the Family and Social Services Administration, told the General Assembly's Health Finance Commission the governor believes preserving the Healthy Indiana Plan, which covers 37,316 participants, is

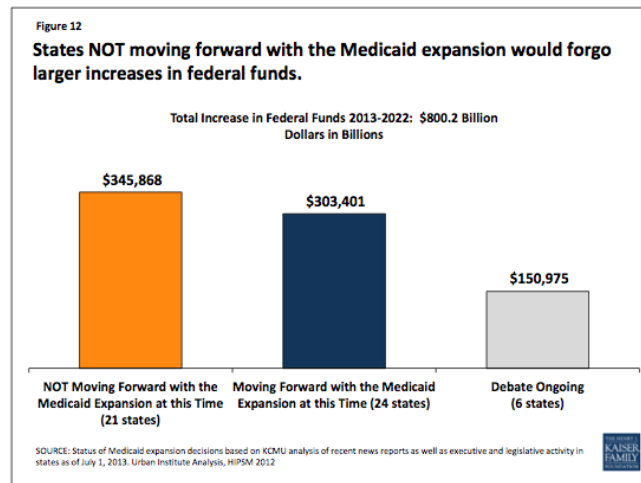
a higher priority than negotiating a Medicaid alternative, which would cover some 400,000 Hoosiers. "I think we are dealing with incredibly important and difficult issues and we're dealing with the lives of vulnerable people, and so I don't think we can just be lured by the fact there's a pot of money there without really being certain we're making good and prudent decisions," Minott said.

Kaiser observes, "In the states not moving forward with the Medicaid expansion, there will be large gaps in coverage and millions will not have access to affordable coverage options. In states not moving forward with the expansion, nearly all childless adults will remain ineligible for Medicaid, as well as parents with incomes above current eligibility levels. Individuals with incomes below poverty are not eligible to receive subsidies to purchase coverage in the new marketplaces. Therefore, there will be large gaps in coverage for adults (both parents and childless adults)."

**And Kaiser notes:** States

that do not move forward with the expansion will forgo billions in federal funds. The 21 states that are not expanding Medicaid would forgo \$35 billion in federal funds in 2016 and \$345.9 billion over the 2013-2022 period, while the six states (including Indiana) still currently debating the expansion would forgo \$15.2 billion in 2016 and \$151 billion over the 2013-2022 period. These states would have experienced larger percentage increases in federal funds relative to the states moving forward with the expansion. States not moving forward with the expansion are more likely to see modest increases in state spending over the 2013-2022 period; however, increases in federal funds would greatly exceed increases in state costs. Increased coverage will reduce state spending for uncompensated care costs. An estimated 30 percent of uncompensated care expenditures are paid for by state and local governments. States could save an estimated one-third of this by reducing payments to hospitals and clinics that provide charity care to the uninsured due to increased coverage. Estimated national savings of \$18.3 billion over the 10-year period in reduced uncompensated care spending would add to the savings or mitigate relatively small state increases in costs.

A number of Howey Politics sources say that without a Medicaid expansion, urban hospitals such as Wishard in Indianapolis, Parkview in Fort Wayne and Methodist in northern Lake County will lose a key funding source. There will also be significant impact on local hospitals.





Minott said in June of the 400,000 Hoosiers potentially left out of coverage with no expansion, "We will be making sure they are aware of the community health centers in their communities, free clinics that are available in multiple places around the state and other safety net-type resources."

But multiple sources tell HPI that community "safety net" organizations and clinics are already stretched

to the limit.

Denault, speaking for the Pence administration, responded to Howey Politics questions about these funding sources drying up. "The existing Medicaid program will continue," she stated, "and hospitals will continue to be reimbursed for providing services to Medicaid enrollees. The hospitals have recently received a rate increase." ❖

## Indiana's good fiscal shape

By **LARRY DeBOER**

WEST LAFAYETTE — July 11 was one of the great days on the number-crunching calendar. It was Indiana's "close-out," the day the Indiana State Budget Agency wraps up the numbers for the fiscal year.

And there's no doubt, we're in good shape. We took in more revenue than we spent in fiscal 2013, and we've got nearly \$2 billion in the bank, which is a healthy 13 percent of the total budget.



We're doing better than most states. The National Association of State Budget Officers collects budget information from all the states and ranks measures of "fiscal stress." Indiana was one of 11 states in the "All Systems Go" category. Most of the Midwest was in the second-best category, "Holding Up," while Kentucky was in the middle, "Could Be Better, Could Be Worse." New Jersey and Georgia ranked lowest, in the

dreaded "What Recovery?" category.

This is a huge turnaround from fiscal years 2009-11, when revenues fell short of the budget by \$4.6 billion. Balances shrank to 6.7 percent of the budget in 2010, close to the 5 percent rock-bottom minimum.

How did we recover so fast?

**Budgets are really pretty simple.** You start the fiscal year with some balances in the bank. During the year, some revenues come in, some expenditures go out. You make a few adjustments, and you've got some balances left over at the end to start the next year. The way to increase balances is for more revenues to come in than expenditures go out. The budget recovered because more revenues came in, or fewer expenditures went out - or both.

Let's start with revenues. They depend on tax rates and the tax base. Our tax rates are down since the recession. Corporate, individual income and inheritance tax rates

have been reduced. We didn't raise taxes to generate more revenue.

How about the tax base? Taxes are paid out of incomes, so let's look at personal income, which is the sum of wages and salaries, interest and dividends, and other income earned in Indiana. Since the end of the recession in the second quarter of 2009, Indiana's personal income has grown 13.7 percent. The U.S. average is 14.5 percent, which makes it look like Indiana growth is lagging a little.

**But the U.S. average** is pulled upward by the incredible growth in the energy states, led by North Dakota at 42.5 percent. The median growth rate is a better measure of what's typical. The median is the middle value, with an equal number of states above and below. Indiana ranks 26th in income growth among the 50 states and the District of Columbia. Twenty-five states [including D.C.] grew faster, and 25 states grew slower. So what about that? Indiana is the median state.

All this just says that it's not a booming economy that has caused Indiana's budget to recover so fast. It's the spending side that tells the story.

Indiana pretty much froze appropriations between 2009-13. Appropriations were near \$14.5 billion each year. In the budget for 2014 and 2015, appropriations grow an average of 2.2 percent per year. That's pretty slow. You can see that with a couple of comparisons.

From fiscal 2009 to the budget for 2015, appropriations [plus a few adjustments] will have grown 6.4 percent in total. In the recession and recovery before that, from fiscal 2001-2007, appropriations grew 21.3 percent. This time, we restrained spending a lot more than last time.

In 2009 Indiana's state appropriations were \$14.436 billion. Since then, state population growth has averaged 0.4 percent per year. Inflation has averaged 1.5 percent per year, according to the Gross Domestic Product deflator.

**So, to buy the same** amount of state services per person, appropriations would have to rise about 1.9 percent per year from 2009 to 2015, to \$16.190 billion. Budgeted appropriations for 2015 are actually \$15.392 billion, about 5 percent less than that. We'd have to accelerate appropriations to catch up to where we were before the recession.



We decided not to bring the budget back to where it was before the recession, in real, per capita terms. And, since there are more tax cuts to come, pretty clearly we're not planning to let the budget accelerate.

Indiana's budget recovered so fast because we made state government smaller. ❖

**DeBoer is a professor agriculture economics at Purdue University.**

## Common Core deep divide comes into full view

By **MAUREEN HAYDEN**  
**CNHI Statehouse Bureau**

INDIANAPOLIS — The deep divide over the Common Core State Standards for K-12 schools was on full display during a legislative hearing Monday, pitting education experts against each other.



During more than eight hours of testimony in front of a legislative oversight committee charged with evaluating the impact of Common Core, supporters and critics of the new classroom standards for math and English traded opinions, studies and sometimes pointed barbs.

Critics painted Common Core as an attempt by outside forces to nationalize education and lower classroom standards in Indiana, while supporters of Common Core standards defended them as critical to boosting Hoosier students' chances to get into and through college and compete on a global level.

At one point during the lengthy hearing, Jeffrey Zimba of the non-profit Student Achievement Partners, and one of the lead writers of the Common Core math standards, said Indiana's old education standards were good but not good enough.

"For example, the study of fractions in American schools has been criticized as the study of round food," said Zimba. "But in the previous Indiana K-5 standards, the word 'pizza' occurs more times in the study of fractions than the word 'number line' does."

**Indiana is one of 45 states** to adopt the use of the Common Core State Standards since they were rolled out in 2009. The standards, which set expectations by grade level for what every child should learn across the nation, were on track to be fully implemented in Indiana by the 2014-15 school year. But that plan came to a halt earlier this year when the Indiana General Assembly voted to "pause" Common Core to conduct hearings on its impact on Indiana schools.

Monday's hearing, which ran late into the evening, attracted a long line of proponents and opponents from in and out of Indiana. A vocal crowd of opponents, many

wearing "Say NO to the Common Core" buttons, had to be admonished by the committee chairman, Republican state Sen. Dennis Kruse, to quiet their jeers and cheers.

Among those who spoke against the Common Core standards was Jim Sturgis, head of the Pioneer Institute, a Boston-based organization that has led the campaign against Common Core since 2009. Sturgis faulted Common Core for many things, including what he said was the lack of public input in crafting the standards. "They were developed behind closed doors by bureaucrats in Washington, D.C.," Sturgis said.

**Common Core supporters** disputed that, saying the standards were developed through an exhaustive and public process launched in 2008 by the National Governors Association and the Council of Chief State School Officers, whose members were interested in coming up with a set of common education standards for math and English for schools in every state.

The differences in opinion about how well those Common Core standards would work were stark during the hearing. Bill Evers, a research fellow at Stanford University's Hoover Institute and former U.S. assistant education secretary under President George W. Bush, called the Common Core math standards inferior to what Indiana had in place. "The (Common Core) standards are mediocre..." Evers told committee members. "It's worth returning to the Indiana standards."

But comments like that prompted state Sen. Carlin Yoder, a Republican from Middlebury, to ask why so many Indiana high school graduates, including more than 40% of students who graduate with the college prep "Core 40" degree, who need to take remedial math and English at the college level. "Then why aren't they ready for college?" Yoder asked experts who claimed Indiana's past education standards were good enough for Indiana students.

Among the many people who testified at Monday's hearing was Pam Horne, dean of admissions at Purdue University. Horne said she was concerned about Indiana pulling away from the Common Core standards while other states were working to implement them.

**"There is not a wall** around Indiana," Horne said. "As almost the entire country adopts (Common Core) we do not want our kids who move to other states to be behind their peers, but rather to be well-prepared for the rigorous curriculum the standards support. And for those who stay in Indiana for higher education, we want them to be as competitive as their classmates from other states."❖



## I don't hate Detroit

By **CRAIG DUNN**

KOKOMO – I recently read an opinion piece in Salon.com titled “Why the Right Hates Detroit,” by Andrew O’Hehir. According to O’Hehir, comparing Detroit and New Orleans “as centers of African-American cultural and political power and engines of a worldwide multiracial pop culture that was egalitarian, hedonistic and anti-authoritarian, these cities posed a psychic threat to the most reactionary and racist strains in American life.” Because of this, he said, we are led to believe the right has consciously allowed their destruction.

Well, Mr. O’Hehir, I am a card-carrying member of the vast right wing conspiracy and I cannot recall ever discussing Detroit at our weekly lodge meeting. We don’t hate Detroit. We have no desire to bail out the city, but we don’t hate Detroit.



A lot of good things have come from Detroit, my wife, for starters. I grew up with a poster of former Detroit Lions safety Lem Barney on my bedroom wall. When I played sandlot baseball, I was always Al Kaline from the Detroit Tigers. I like Joe Louis, the Temp-tations, Barry Gordy, Kid Rock, Glenn Frey, Bob Seger and even the

pre-pointy Dixie Cup bra days of Madonna. Although I still don’t get why Detroit Redwing fans throw octopi onto the ice at their games, I do appreciate the tradition of it all.

Unfortunately, something terrible has happened to Detroit over the last 50 years. Detroit has become the American poster child for bad government. No, make that terrible government! Perhaps the twinkling in the eyes of conservatives is because of the fact that all 50 of those downhill racing years have been under the leadership, responsibility and wisdom of Democrat mayors and city councils. Try as they might, Democrats just can’t blame this one on George Bush. Democrats own the disaster that is modern day Detroit.

**No better poster child** for the demise of Detroit exists than former mayor Coleman Young. Mayor Young led Detroit for 20 excruciating years, 1974-1994. Coleman Young wasn’t just a Democrat, but a full-fledged Communist with a long record of radicalism. He took a sputtering city and placed it in a power dive to the bottom with management and spending policies that only Karl Marx could love. He truly made Detroit what it is today, a perfect production set for the next zombie apocalypse movie.

Once the third largest city in the United States with

a population of over 2.1 million people, Detroit now counts only 700,000 citizens. A city of approximately 140 square miles now finds roughly one-third of its land mass a vacant, bombed-out wasteland. The average police response time to a 911 call is 53 minutes. The fire department stages rolling blackout coverage with fire trucks and crews being moved in a giant shell game around the city. Street lights have been turned off and every sort of city service has been abandoned or neglected. Is it any wonder that 46 percent of the remaining Detroit residents fail to pay their property tax?

**Fifty years of graft**, greed, larceny, ultra-lucrative union pay packages and retirement plans have destroyed the once great city of Detroit. No more and no less than Democrat fiscal mismanagement sank Detroit. To be sure, Detroit was harmed by white flight and the mass exodus to the suburbs, but rats have an amazing ability to detect when a ship is sinking and you can’t blame people for trying to escape a disaster when they can see it coming.

How does the right view the bankruptcy of Detroit? While I do not pretend to speak for the entire vast right wing conspiracy, I will offer up my opinion. The bankruptcy of Detroit is another in a long line of canaries in the coal mine whose deaths should serve as a warning to our federal government on the folly of tax-and-spend policies coupled with massive deficit spending. The collapse of the Greek economy and the economic crisis in southern Europe seem far away to the average American. Detroit, on the other hand, is close to home. We can see it, feel it and empathize with its suffering. The bankruptcy of Detroit represents a teachable moment to the American people about what can happen when government ignores the laws of economics.

**Political pundits on** the left will do their best to blame anyone and everything except the real cause. They will never hold their Democratic masters to responsibility for the demise of a once great American city. Despite cries for a bailout, I believe that even President Obama will avoid rushing to the city’s aid. He will lend emotional support, perhaps even declaring that, “If I had a town, it would look just like Detroit.” Deep down, even the President knows that we don’t have enough money or credit to bankroll the long line of Democrat cities and states that would rush to the trough to cry for their own federal handout.

Far from hating Detroit, I hope that the city will use its bankruptcy to reform its reckless past and that one day, before I die, I can go to Detroit, catch a Red Wings game, throw an octopus onto the ice, listen to some great music and eat one of the greatest coney dogs in the world while basking in the glow of knowing that it was here that liberal Democrats finally woke up and became responsible. ❖

**Dunn is chairman of Howard County Republicans.**



## We brought a knife to a gunfight in 2004

By **SHAW FRIEDMAN**

LaPORTE - Having lost three straight governor's elections, we Hoosier Democrats have to do a better job of looking back and learning lessons from our defeats.

I've written on some of the lessons to be learned from 2012 and the multiple failings of the Gregg campaign to really stand for anything that Hoosier working families could rally around, but in light of recent events and e-mails surfacing around former Gov. Mitch Daniels, we need to revisit tactics and strategies that were used against Mitch in 2004.



The emails show a side to Mitch Daniels that many of us knew was there and that we warned others about: This malicious, take-no-prisoners bullying approach to politics that is highly negative, misleading and often wins, if not challenged.

We started 2004 with a highly popular Democratic governor, a decorated war hero in a time of

war, who was leading in an Indianapolis Star poll that January by 15 points. By November of that year, Mitch Daniels had rolled to a 10-point victory with a carefully calculated campaign to weaken his opponent's favorables, by painting Joe Kernan as incapable of demanding either integrity or effectiveness from the state bureaucracy and essentially showing him as weak. The Kernan campaign came across as inept and was ill-prepared to respond to the onslaught of negative advertising, particularly the ads in the summer of 2004 that went after the governor's use of Tata Consulting, an Indian firm that had won a minor contract from the Indiana Department of Commerce.

**Mind you, Mitch**, the man who would become a poster boy for outsourcing government functions and privatizing state government to the benefit of some of the largest corporations in the world (think the Toll Road privatization contract to the Australian and Spanish conglomerates), had the audacity to attack Joe Kernan for this outsourced contract and he made it stick. Daniels and his savvy campaign manager Bill Oesterle used that Tata contract and drove the message home throughout the summer of 2004 that Kernan didn't have loyalties to Hoosier business.

All the while their tough negative campaign was on the air, Daniels crisscrossed the state in that green RV, sampling pork tenderloins and acting the part of some yo-

kel. He shed the suit he wore in the corporate suites at Eli Lilly, took on a twang that he never used while at Princeton and sold this bucket of mash to Hoosiers. The Kernan campaign never went up with anything to define Mitch early on, despite numerous urgings to do so.

**In short, in the immortal** words of Sean Connery's character Jimmy Malone in the movie, "The Untouchables," we 'brought a knife to a gunfight.' Rather than trot out the litany of "Mitch's mistakes" that had piled up during Daniels' time as OMB Director to President George W. Bush, D.C. consultants to Kernan advised caution and kept up with tepid positive advertising for our candidate like the eminently forgettable "Fernando the Barber" spot shot in South Bend.

(I'm proud to say that in LaPorte County, a home-grown negative campaign was mounted against Mitch in 2004 that held his percentage to the lowest of any county in the state. Vengeful Mitch then spent eight years punishing LaPorte County by denying us IEDC funds and even ginned up an assessment controversy that was ultimately determined to be meritless and unfounded, but it delayed our tax collections for years.)

There's no way Mitch's crew should have gotten away with defining our candidate in 2004 without worrying about their own guy. All we had to do was take a lesson or two from the way the O'Bannon campaign had literally issued a press release every week and skillfully used earned media against both Steve Goldsmith and David McIntosh and defined each of those GOP candidates for governor in '96 and 2000 with their own words and deeds. Each had vulnerabilities that the O'Bannon campaign - particularly seasoned pros like Robin Winston, Tom New and Pat Terrell and their media team - seized on with maximum effect.

**By the time the Kernan** campaign decided to "go negative" in late fall 2004 and define Daniels, it was too late and it was done with a silly issue, trying to make something out of Daniels' use of marijuana while at Princeton and his arrest on a low-level possession charge. In one of the lamest efforts to define an opponent in our state's political history, the Kernan campaign trotted out several legislators on the steps of the Statehouse to decry Mitch's drug use. Huh?

Daniels went unchallenged as he cried alligator tears over the plight of state employees and declared in all seriousness to them that "help was on the way" even as he plotted to decertify their employee unions on his second day in office. This is a guy who claimed as he ate those pork tenderloins that he understood the plight of working families. He would later take on teachers, firefighters and police with gusto and claim their pensions were too expensive, and he would push for the state to become right-to-work and further cripple organized labor and its ability to defend wage rates and working conditions.



Mitch's reputation in D.C. as "the blade," as someone who could not be trusted around Capitol Hill to tell the truth, and as a ruthless political operative was never seized upon by the Kernan campaign. Eric Bradner of the Evansville Courier Press put it well recently when he wrote after the Mitch emails came to light that "underneath that humble, Harley-riding cloak that Mitch Daniels donned as Indiana's two-term governor was a master manipulator who used all the leverage the state's highest office afforded him to achieve his political goals."

**The emails unearthed by AP's Tom LoBianco** also pointed out Mitch's effort to discredit and defund a political opponent, Chuck Little, the head of the Indiana Urban Schools Association. The emails showed that when Little pushed for more funding for poor, urban school districts, Mitch the Blade directed his underlings to try to de-fund certain programs at IUPUI where Little worked. It was, as Bradner pointed out, a "ruthless and manipulative" move on Daniels' part. Daniels was a "Teflon governor who would do anything to win."

Most instructive about Daniels' character was the unseemly delight the emails showed that our governor took in historian Howard Zinn's passing. While there are many troubling aspects of the whole Daniels effort at censorship and retribution against critics, author Bill Bigelow put it well when he said the most disturbing part of this story was "Daniels' gleeful, mean-spirited reporting of Zinn's death. Finding cause for joy in the death of someone whose life was animated by confidence in people's fundamental decency is shameful."

What is shameful is that we Democrats didn't do a better job of defining this malicious and mean-spirited political animal before he became governor. Hoosier voters deserved to know who they were really getting and it is a sorry chapter in this state's history that we brought a knife to that epic gunfight in 2004. Let's learn from that mistake. ❖

**Shaw R. Friedman is a LaPorte attorney and former general counsel to the Indiana Democratic Party.**

## Pence responds to Gary's call for state troopers

By **RICH JAMES**

GARY – Twenty-two days after Gary Mayor Karen Freeman-Wilson asked Gov. Mike Pence to send state troopers to her city, the governor has responded. The



mayor and police Chief Wade Ingram had asked Pence to send 60 state troopers to the Steel City for 90 days. The mayor's hope was that added police presence would help stem a rash of violent crimes, including homicides.

Well, the governor isn't sending 60 troopers to the city. And, he's not sending 30. Even though there have been 33 homicides in the city this year – a 48 percent increase over

2012 – Pence isn't sending any troopers to Gary. The governor told Freeman-Wilson to work with Indiana State Police Superintendent Douglas Carter to find out exactly what Gary needs in terms of law enforcement.

While I thought the governor's response was a slap in the face, Freeman-Wilson was gracious. The mayor called Pence's reaction a "cautious and gradual process." The mayor added, "I am very comfortable with this ap-

proach." Freeman-Wilson said the governor had made a business decision since sending troopers to Gary represents an expenditure that impacts the state police budget.

Carter was a state trooper and then Hamilton County sheriff. He most recently worked for an architectural firm that specialized in the design of buildings that included jails. While he has a stellar record, he likely isn't up to speed on what's going on in the streets of Gary, and what is fostering the crime.

Freeman-Wilson also is seeking the help of the Department of Justice's Office of Justice Programs Diagnostics Center. DOJ consultant Steve Rickman was in Gary at the request of then-Mayor Thomas Barnes during the height of the city's battle against a soaring homicide rate that earned Gary the Murder Capital of America designation based on homicides per population.

Rickman was back last week to collect data and do interviews with city officials and community members to come up with crime-fighting strategies. Rickman and another consultant met the city's Violence Prevention Committee.

While the feds and the state police work on a strategy for Gary, the urban Lake County cities have launched a plan to cooperate on fighting violent crimes. It is a first for the area for Gary, Hammond and East Chicago.

Former Gary Mayor Richard Hatcher brought federal troops into the city during the 1970s Family Street Gang drug wars. Hatcher told The Times of Northwest Indiana a week ago that the state should allow local-option gun control. He recalled a conversation with a state legislator from



Greenfield when he was mayor. "If you live in Greenfield where there's maybe one murder every 20 years, and I live in Gary, where there's one murder every day, you may not want gun control. But the people who live in these communities where there's such an abuse of guns want it."

But Hatcher acknowledged that with a conservative

governor and legislature, there won't be any measure of gun control allowed in Indiana. ❖

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

## East vs. responsibility

**By MORTON J. MARCUS**

INDIANAPOLIS — I have just returned from a trip to the former East Germany and the current Czech Republic. Both were under Communist rule for 40 years and they both, in different ways, are working toward the benefits and pitfalls of capitalism.



A tour guide in Prague summarized the situation well when he said, "Under communism, we had little freedom, but life was, in many ways, easy. Under capitalism, we have freedom and the responsibility that goes with freedom. Many long for the easy life, but most rejoice in having freedom."

Under communism, people did not have the freedom to say what they thought or travel where they wished. But everyone had a job. It

was against the law not to have a job. Everyone worked and the rewards were meager, but everyone had "enough to survive."

The Communist governments did not invest in infrastructure and the investments they did make were often on the cheap side. Hence many buildings today have been or should be torn down if they cannot be restored. Since the fall of the Communist governments, major investments have been made in highways and public transit. These wise spending programs improve commerce and facilitate the interchange of people within and between nations.

**Under capitalism**, people do have the freedom to say what they please, but there should also be a responsibility to know and to speak the truth. More shocking than anything on the trip was the ignorance and blatant acceptance of nonsense by some of those from the United States in our traveling party.

It was not only that they were ignorant about Europe. They were ignorant about America and believed the most obvious lies about our federal government – the American flag no longer flies over the White House.

Under capitalism, as we know it, people are free to travel, in the manner and to the extent they can afford it.

Freedom to improve one's self by preparing for the type of job one prefers was limited under communism. Under capitalism, freedom means job seekers must be aware of what the market wants and what sacrifices they are willing to make for the jobs they want.

**Communism made life** easy because it removed the need to feel responsible for one's self. It was the bureaucrats, the leaders, always someone else who was responsible for your condition in life.

Capitalism, as we know it, demands individual responsibility. Life is not easy. Economic and political currents toss our personal boats over uncertain waters.

Yet, personal responsibility seems to be the last thing many of us want. Many would like an easy life with the guarantee of a well-paid job. We don't want the central control of a Communist state, but we also don't want the instability endemic to capitalism. We expect government to be all powerful, but we don't want a powerful government.

This paradox, the desire for ease and the need for individual responsibility, is a universal characteristic not limited to former Communist states. It applies here at home just as well. ❖

**Mr. Marcus is an independent economist, writer and speaker. Contact him at [mortonjmarcus@yahoo.com](mailto:mortonjmarcus@yahoo.com)**

## Lugar calls Putin 'authoritarian'

WASHINGTON - U.S. Sen. Dick Lugar expressed concerns about security at the 2014 Olympics in Sochi, Russia as he described President Putin as an "authoritarian."

Lugar appears on MSNBC's Morning Rundown today and noted that Sochi is surrounded by unrest in the Caucasus region and suggested that the Russians will need cooperation from the U.S. on security.

He described changes in the U.S.-Russian relationship when he traveled to Russia in August 2012 to push for an extension to the Nunn-Lugar program. "It met resistance at the War Department," Lugar said of his goal to "mop up" chemical weapons, now a problem in the Syrian civil war.

He noted that Putin is aware of protesters in the streets and that he is reluctant to support the overthrow of an authoritarian regime such as Assad in Syria. That's when Lugar described Putin as an authoritarian. ❖



**Charles Krauthammer, Washington Post:**

Led by Sens. Mike Lee and Ted Cruz, the GOP insurgents are threatening to shut down the government on Oct. 1 if the stopgap funding bill contains money for Obamacare. This is nuts. The president will never sign a bill defunding the singular achievement of his presidency. Especially when he has control of the Senate. Especially when, though a narrow 51 percent majority of Americans disapproves of Obamacare, only 36 percent favors repeal. President Obama so knows he'll win any shutdown showdown that he's practically goading the Republicans into trying. Never make a threat on which you are not prepared to deliver. Every fiscal showdown has redounded against the Republicans. The first, in 1995, effectively marked the end of the Gingrich revolution. The latest, last December, led to a last-minute Republican cave that humiliated the GOP and did nothing to stop the tax hike it so strongly opposed. Those who fancy themselves tea party patriots fighting a sold-out cocktail-swilling establishment are demanding yet another cliff dive as a show of principle and manliness. But there's no principle at stake here. This is about tactics. If I thought this would work, I would support it. But I don't fancy suicide. It has a tendency to be fatal. As for manliness, the real question here is sanity. Nothing could better revive the fortunes of a failing, flailing, fading Democratic administration than a government shutdown where the president is portrayed as standing up to the GOP on honoring our debts and paying our soldiers in the field. How many times must we learn the lesson? You can't govern from one house of Congress. You need to win back the Senate and then the presidency. Shutting down the government is the worst possible way to get there. Indeed, it's Obama's fondest hope for a Democratic recovery. ❖

**Maureen Dowd, New York Times:**

Reince Priebus says a lot of goofy things, but the chairman of the Republican National Committee has a point. Films can dramatically alter the way famous people are viewed, making them cooler, more glamorous, more sympathetic — and the reverse. Clever filmmakers can offer up delicious soufflés of propaganda and storytelling, putting a new imprint on the historical record. Priebus has complained to NBC and CNN executives about plans for what he calls Hillary Clinton "puff pieces" while Hillary is "on the dance floor." The NBC entertainment division is doing a four-hour mini-series starring Diane Lane, and CNN Films is producing a documentary to be shown in theaters next year directed by Charles Ferguson, who won an Oscar for "Inside Job," his scorching 2010 documentary on Wall Street. Priebus says the films would be political ads "masquerading" as unbiased pro-

ductions. He should know, since Republicans popularized full-length attack films, sliming the Clintons and Obamas. (In the 2008 documentary "Hillary: the Movie," produced by the conservative Citizens United, one woman claimed the Clintons put a hit out on her cat.) NBC is planning to make the mini-series soon, before Hillary formally announces, so that the network doesn't run into problems with less scintillating rivals demanding equal time. Priebus says that shows "a guilty conscience." You need look no further than "The Queen" — Helen Mirren's Oscar-winning turn as Queen Elizabeth — to see how reputations can be burnished. After Princess Diana's death in 1997, the royals were seen as bloodless ice cubes, and there were questions about the viability of the monarchy. But when the sympathetic movie came out in 2006, the queen's popularity soared. Peter Morgan, the British screenwriter of "The Queen," acknowledges he played "a small part" in that. "When people sobered up from the week after Diana's death, a lot of them felt pretty silly," he told me. "The royal family behaved badly, but we behaved worse, millions of people who knew nothing about Diana holding her up as a patron saint. ❖



**Ron Mott, Terre Haute Tribune-Star:**

A man I had never met before, but had written about, invited me to lunch the other day. The man is Dr. Larry Bucshon, Republican Congressman from the 8th District. I truly did not know what to expect. I met a very quiet individual, a heart surgeon, and a family man. I found that Larry Bucshon is not the typical back-slapping, hand-shaking, center of attention many politicians strive to be. Larry Bucshon and his staff are readers of this printed effort, and they learned that I often disagree with the Republicans in Congress. The Congressman didn't seem to mind that I disagreed with him, but he appreciated the fact that while in disagreement, I try to be fair. He said, "I understand that people are going to disagree with me, and that's alright. What I wish to avoid is unfair attacks on me personally and my family." I certainly agree with that. I'm not going to list all the things with which I could find myself in disagreement with the Congressman. I would rather write about the things we agree on ... that a congressman in any district in America works to help all the people in his district. And I think Congressman Bucshon does exactly that. He understands the obstacles in getting things done because a segment of his party (sometimes called by others the "no" caucus, because they say no to everything). There are groups in both parties who are obstinate because of their deep-rooted, one-sided look at all the questions that face Congress today. The ones who get the most attention are the 60 or so hard-right radicals who do not wish to get along with even their own party. ❖





## **Bennett showed contempt for Ritz**

FORT WAYNE - Former Superintendent of Public Instruction Tony Bennett was candid in his dislike for his Democratic opponent and Fort Wayne, emails from his state account show (Kelly, Fort Wayne Journal Gazette). The Journal Gazette used a public records request to obtain hundreds of emails from Bennett's account after an Associated Press article showed that he and his staff frantically worked to improve the accountability grade of a charter school from a C to an A...The emails include a number of demeaning or rude comments about Democratic opponent Glenda Ritz, who dealt him a stunning defeat on election night. Bennett commented on her lack of leadership experience. The supporter later writes that he was unimpressed with Ritz's performance, saying, "the responses Glenda provided were hard to follow and weren't very structured." Bennett zinged back: "She is very weak! The rest of this week was worst as she tried to go 'scorched earth' at the school board association and special education conference." In an August email to several Indiana Department of Education staff members, Bennett includes a video of Ritz. "Below is a link to Glenda's forum in Bloomington ... I would ask that people watch this and scrub it for every inaccuracy and utterance of stupidity that comes put of her mouth." State rules prohibit employees from conducting campaign work on state equipment or state time...It also appears that Bennett had open contempt for Fort Wayne at times. In one email exchange between him and a representative from a private education company, Bennett said, "I will not miss



Fort Wayne ... For a myriad of reasons..."The emails also show Bennett's reaction after his election night loss, including an expression of concern that newly elected Gov. Mike Pence will not prioritize education. Indeed, Pence's slogan has been "job creation is job one." "Nor do I want my fear that in light of the fact that Mike has so many other issues on his plate during his first term that he can't give this the attention and passion Mitch gave it over the past four years (which is my fear)," Bennett said. "I provide those to you only for the purpose that as I move on, you guys and Todd must keep 'children as job 1' in this state."

## **Obama cancels meeting with Putin**

WASHINGTON - Already faltering, President Barack Obama's five-year effort to reboot U.S.-Russian relations finally crashed Wednesday, as the White House abruptly canceled his planned face-to-face summit with Russia's Vladimir Putin (Associated Press). The effort to upgrade the relationship has fallen victim to the rapidly shrinking common ground between the former Cold War rivals, including extreme differences over the Syrian civil war, Russia's domestic crackdown on civil rights and — the final straw — the asylum granted to National Security Agency leaker Edward Snowden.

## **Obama vows to end sequester**

PENDLETON - President Obama stood at this desert base on Wednesday before nearly 3,000 Marines, sailors and their families — and a captive audience of two Republican adversaries from Congress — and vowed that he would fight to end across-the-board budget cuts that have shaken the military (New York

Times). "Here at Pendleton, you're feeling it," Mr. Obama said. "Hard-working folks are getting furloughed. Families getting by on less. Fewer ships available for your training exercises. The commissary your families rely on closed a day a week." "We can do better than that."

## **Delegation talks about student loans**

WASHINGTON - Standardized Stafford loan rates for college students are being lowered (Klemet, WFYI). Congress agreed to reverse rates that doubled, July 1st. When asked about bringing rates down from 6.8-percent to 3.86, Republican Rep. Susan Brooks of Carmel gave a big sigh of relief and smiled. "I am pleased that we finally got the job done," she said. "I think that it was a bit sad that it came later than the deadline which caused a lot of people a lot of angst over the summer, but I am very pleased that the Senate agreed for the most part with the House's version." If the rates would have stayed at 6.8-percent, Congress' Joint Economic Committee projected students would pay about \$2,600 more. "Now we have taken politics out of the student loan rates," said Brooks. "Students, I think, will be a much better place moving forward with their educational costs." Democratic Senator Joe Donnelly says he too was disappointed with the process, but says taking action shows what Congress can do if it works together. "We said what can we actually get done that will make it so that our students can get lower loan rates, can save money, and be able to have a few more bucks in their pockets at the end of the day," said Donnelly, "live the American dream of a good job, be able to pay off their loan, have the opportunity to raise their family and we came to an easy answer."