



## Aging Indiana ranks low in elder care

State ranks at bottom of national rankings at both ends of life

By **MATTHEW BUTLER**

INDIANAPOLIS – If a recent national study is to be accepted, Indiana is one of the worst states in the union for people growing old and frail. Moreover, it's considered the very worst state in terms of support for family caregivers.



Conducted jointly by the SCAN Foundation,

The Commonwealth Fund, and AARP, "Raising Expectations: A State Scorecard on Long-Term Services and Supports for Older Adults, People with Disabilities, and Family Caregivers," was released in June and ranked Indiana 47th



Gov. Mike Pence signs HB1391 into law in New Albany last spring which creates a community living pilot program for senior Hoosiers. Bill author State Rep. Ed Clere looks on.

out of all states and the District of Columbia, besting only Alabama, Mississippi, Oklahoma, and West Virginia. Minnesota ranked first.

Continued on page 4

## Out of state intensity

By **PETE SEAT**

INDIANAPOLIS – Feel like there's no intensity to the 2014 campaign? Don't tell that to Hoosiers who get their news from Chicago, Cincinnati or Louisville. Hotly contested races in Illinois, Ohio and Kentucky are producing voter annoyance and fatigue in parts of Indiana, providing a ceiling for both parties working to parlay their work in 2014 into gains in 2016.

The issue is that candidates and parties have long been stymied by the geographic reality of our position in the heartland. I recall during the 2010 U.S. Senate race when Dan Coats traveled to Chicago



**“Evolutionary, not revolutionary, change has long been the Indiana way. In the last several decades, however, there have been signs of more rapid change.”**

*- IU's James Madison on his new book "Hoosiers: A New History of Indiana"*



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for a series of television interviews only to be attacked by the opposition for "campaigning out of state." I guess they didn't get the memo that over 20 percent of Indiana residents live within the boundaries of those out-of-state markets. As a result, campaigns can find it difficult to effectively reach a substantial portion of voters with on-air messages come election time.

**Republicans in** Northwest Indiana are familiar with this struggle. The Chicago media market blankets Lake, Porter, LaPorte and other counties with news that is of little relevance to Hoosier viewers and that tends to help Democrats. For instance, as Chicago stations covered every breath of Barack Obama in 2007 and 2008 as if it were the exhalations of a demi-god, he was able to run up



**Kentucky Secretary of State Alison Lundergan Grimes, who is challenging U.S. Sen. Mitch McConnell, will be better known in Southern Indiana than Indiana Secretary of State nominees Beth White and incumbent Connie Lawson.**

the score in that quadrant of the state and become the first Democrat to win Indiana's Electoral College votes since 1964.

This year, the problem is especially pronounced in other parts of Indiana as the names Bruce Rauner, Alison Lundergan Grimes and Ed FitzGerald become more familiar to some Hoosier voters than the people who will actually appear on our ballots. Rauner, running against Illinois Gov. Pat Quinn; Lundergan Grimes, the challenger to U.S. Senate Minority Leader Mitch McConnell in Kentucky;

and FitzGerald, the Democrat trying to unseat Ohio Gov. John Kasich; find themselves in competitive and costly races.

All three challengers are within single digits of the incumbent and plan to spend millions of dollars in television advertising, presumably to include the three major adjoining media markets that cover our state. In Kentucky alone it is estimated that a combined \$100 million will be spent on the McConnell-Lundergan Grimes match-up, an untold portion of which will end up being funneled to Louisville television stations in exchange for valuable commercial airtime.

This provides Indiana candidates and political parties with a shared challenge in achieving their specific electoral goals and, surprisingly enough, representatives of the Republican and Democratic parties believe both will suffer come Election Day. "[The ads] just add to the growing weariness of politics; both parties are hurt," one member of the Indiana Democratic State Central Committee

told me. A Republican who sits on the organization's statewide leadership team agreed in almost identical words saying that the barrage of ads "hurts both parties."

**What's the remedy?** They could do lower-cost cable television advertising. After all, who doesn't love a political ad in the middle of Big Bang Theory re-runs? But the real remedy is in shifting the balance back to where it should have been all along: Good old-fashioned grassroots campaigning where candidates toss out the paid television plan and press the flesh to

raise awareness for themselves and their campaigns. Instead of ominous dark clouds swirling on a screen describing the apocalyptic world to come if you vote for the other person, candidates can slap on a smile and meet actual human beings.

**Of course, "grassroots has** always been our strategy," the Democratic committee member insisted, but a lot of campaigns find themselves hamstrung these days on how many "points" – a term used to describe the number of viewers an ad reaches – they can rack up, not how many voters they meet face to face.

To be fair, at the party level, the emphasis has more recently been on grassroots work as a result of the altered campaign finance landscape that leaves state party organizations on the short end of the contribution stick. To make up ground, the Indiana Republican Party is in the middle of their Hoosier Hustle campaign, an effort to drive volunteers to one of eight call centers in the state to con-

nect with voters on Saturdays (in addition to calls being made throughout the week). Democrats are making the statewide rounds on a "We Can Do Better" tour to make their case to voters, an aggressive plan aimed at scooping up attention from the media without having to pay.

Those grassroots activities, together with paid television advertising in the Fort Wayne-Indianapolis-Evansville corridor, will do some of the heavy lifting toward 2014 and 2016 success. But without the crutch of television as an option in other parts of the state, will that be enough? ❖

**Pete Seat is senior project manager at the Indianapolis-based Hathaway Strategies and author of the recently published book "The War on Millennials." He was previously a spokesman for President George W. Bush, U.S. Sen. Dan Coats and the Indiana Republican Party.**

## Rate Indiana's Senators in 20th Power 50 list

By **BRIAN A. HOWEY**

INDIANAPOLIS – The U.S. Senate has been called the "world's most exclusive club."

During the television age of Indiana politics, it has been the most exclusive sub set as only nine men have held the title of U.S. Senator: William Jenner, Homer Capehart, Vance Hartke, Birch Bayh, Richard Lugar, Dan Quayle, Dan Coats, Evan Bayh and Joe Donnelly.

As small of a group as this is, the achievements have been impressive.

Sen. Birch Bayh wrote two amendments to the U.S. Constitution and Title IX. Lugar forged legislation that in unprecedented fashion carved up the Soviet nuclear arsenal, wrote historic farm legislation and helped topple sinister regimes in South Africa and the Philippines. Quayle became a vice president.

As part of the Howey Politics Indiana 20th Anniversary Power 50 list, we are asking our readers to help us rate our



governors, U.S. Senators, congressmen and women, mayors, legislators, party chairs and operatives, and lobbyists.

Help us rate this small class of U.S. Senators by emailing your thoughts and rankings to HPI Publisher Brian Howey at [bhowey2@gmail.com](mailto:bhowey2@gmail.com).

The categories and an overall HPI 20th Anniversary Power 50 will be published on Oct. 16 and a reception is scheduled from 5 to 8 p.m. at the Antelope Club in Indianapolis. ❖



**U.S. Sen. Joe Donnelly is sworn in by Vice President Biden surrounded by Sens. Dick Lugar, Evan and Birch Bayh in January 2013.**

## Elderly Hoosier, from page 1

The dubious distinction in a state that in a policy sense has achieved an array of tax cuts that are supposed to create a better business climate went unnoticed by Indiana's media, whereas other recent studies such as those on childhood wellbeing have received attention. It's better known, for example, that the state's infant mortality rate is among the worst (47th), the state's health ranking is 41st, or that Indiana was one of only a handful of states not funding pre-K (until the most recent pilot program). This has contributed to growing alarm that not enough is being invested for young Hoosiers. This latest ranking, the long-term care scorecard, suggests the other end of the age spectrum equally deserves the attention of all stakeholders just as the Baby Boom generation begins to retire in growing numbers.

**The status of long-term care**, broadly defined, is especially important because Indiana, like almost all states, is on the cusp of a dramatic demographic shift as Baby Boomers age. Today, Hoosiers 65 and older are 13.7% of the population; by 2030 their share will reach 20% with one in three Hoosiers over the age of 55. Indiana's population between 2005 and 2040 will see a total growth of 15%, but an astounding 90% increase in those 65 and older. With the elderly living longer, the simple increase in numbers will place unprecedented burdens on Indiana's health care infrastructure.

A Hoosier mantra of late has been you cannot improve what you cannot measure. The 47th ranking is derived from five key measures of Indiana's overall long-term health care system. Four out of five measures ranked in the bottom quartile. Altogether they are:

- 44th: Affordability and access
- 42nd: Choice of setting and choice of provider
- 45th: Quality of life and quality of care
- 51st : Support for family caregivers
- 33rd: Effective transitions

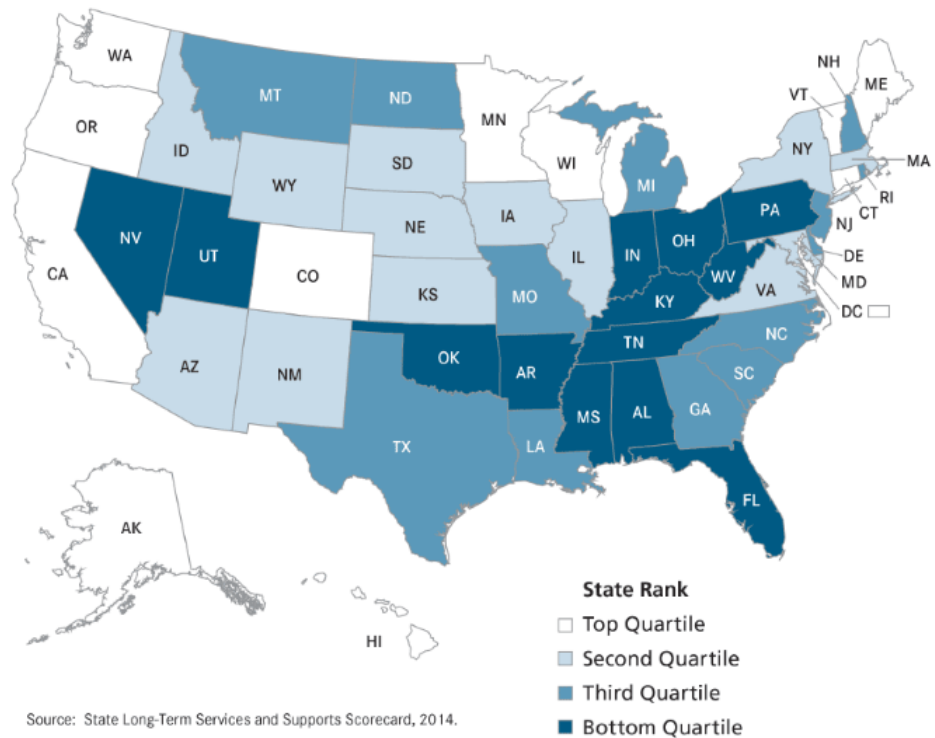
Those measures comprised 26 indicators, of which Indiana had only one indicator in the top five but three in the bottom five. Twelve indicators were also in the bottom quartile. As the report concluded, "The variation between states remained tremendous on most indicators. High-performing states had indicator scores that doubled or tripled (or more) the rates obtained by lower-performing states." Unfortunately, Indiana was often among the latter.

"It's quite honestly the way we see it," Katie Moreau, associate state director for communications at Indiana AARP told Howey Politics. "We are not devastated and we're not overly concerned. It's not the best ranking

by any means, but we see room for improvement."

Cost of long-term care is a daunting problem for states. Indiana ranked 44th in 'affordability and access' to long-term health care, which was an improvement from 49th in 2011. Affordability of in-home and facility long-term care depends first on the income of Hoosier seniors and the cost of care within the state. The scorecard found the percentage of Hoosiers over 65 living below the poverty line is 7.2%, whereas the national average is 9.5%. The share of those living at or below 250% of the poverty

State Ranking on Overall LTSS System Performance



Source: State Long-Term Services and Supports Scorecard, 2014.

line is 43.4%. The median household income of Hoosiers over 65 is approximately \$34,600, the national average being \$36,700.

**Quite alarmingly, paying** for nursing care at home or within a facility is simply beyond the resources of most Hoosiers. Home care in Indiana costs 87% of the median household income of those 65 and over. Nursing facility costs are even more staggering: The average yearly cost for a private room in an Indiana nursing home was \$85,800, slightly more than the national average of \$83,900. This amounts to 241% of Indiana seniors' median household income. This is exacerbated by the fact that very few Hoosiers are buying long-term care insurance. The state ranks 42nd in that regard with only 34 policies per 1,000 persons age 40 and older. States like Kansas and Nebraska, on the other hand, have been able to realize policy rates of 73 and 102, respectively.

Medicaid pays the majority of long-term nursing care in Indiana. Medicare only pays for short rehabilitation stays. "You would be surprised how many people think Medicare covers the cost of nursing homes, which it

obviously doesn't," said Moreau. The state does, however, have a long-term care insurance partnership program and a small tax credit.

**Besides long-term** care affordability, Indiana also scored poorly in terms of 'quality of life and quality of care' (45th). For example, Indiana ranked 36th for both indicators on nursing facility residents with pressure sores and nursing facility staff turnover.

Howey Politics contacted relevant stakeholders regarding their reactions to the scorecard. The Indiana State Department of Health declined an interview, stating, "Several organizations come out with a state scorecard annually and each one is random and uses their own scoring methodology." The Indiana Health Care Association, which represents for-profit and non-profit facilities, also declined to comment. Jim Leich, president of LeadingAge Indiana, a statewide association for non-profit nursing facilities, told Howey Politics there have been great strides in recent years addressing quality of care. He cited Indiana's Medicaid quality measures now provide pay-for-performance incentives to facilities. "It's kind of a mishmash," Leich commented on the scorecard. "Not all of the data is up to date; a lot is going on in the Indiana nursing home world."

Leich is not overly concerned about sudden demographic pressures, citing most Baby Boomers will not require facility-based care until their 80s, which is at least 12 years away. "We're somewhere in the mid-70s in terms of our [nursing facility] occupancy level," said Leich, "which is quite low."

Whereas the state appears to have sufficient facility capacity, staffing could soon become a major constraint and harm quality of care. Blayne Miley, of the Indiana State Nurses Association, told Howey Politics, "In addition to our aging population we have an aging nursing workforce. 29.4% of Indiana's registered nurses are over 55." Compounding that problem is the state's limited ability to train new nurses due to faculty shortages. "We are hoping the Indiana General Assembly will provide nurse faculty support," Miley added. Leich agreed, "That's a big concern. From a state legislative point of view, that needs to be point of focus."

Where Indiana ranked worst in the nation, be-

hind all 49 other states and the District of Columbia, was 'support for family caregivers.' The indicators influencing this ranking were assessments of the legal protections for caregivers (ranked 44th), such as state employment laws, assessments of caregiver wellbeing (42nd), and whether the state allowed nurses to delegate health maintenance tasks to non-family members such as in-home aides (47th). According to the Indiana Division of Aging, 1.4

million Hoosiers provided unpaid care in 2011 worth an economic value of \$9.4 billion, roughly four times as much as the state spends on long-term care.

"For the past two years we worked on a bill at the Statehouse," explained Moreau, "to provide a modest tax credit for family caregivers, but we haven't gotten much traction on it for one reason or another." One of their other goals is for Indiana to pass the CARE Act, which includes protections and empowers caregivers



regarding hospital notifications and administering medications.

**Indiana AARP is optimistic** the status of caregivers will improve. "We've seen a recent focus on ways to support family caregivers who are basically the backbone of Indiana's long-term care system," Moreau said. They were pleased to see the legislature pass a resolution to study caregiving this past session and one of the five goals outlined in the new Division of Aging's state plan through 2018 is to "create a statewide focus on the needs of family caregivers." The scorecard penalized the state for not having a caregiver assessment mechanism, which the agency is now developing.

There is general consensus that helping Hoosier seniors age within their homes and communities will realize tremendous savings and improve quality life. A whole constellation of services and support programs are required, however. As the scorecard warns, "States that have not built an infrastructure of services and care settings that offer residential alternatives will strain their own resources by paying more for costly nursing homes."

Herein lies Indiana's diamond in the rough according to the scorecard: Its 'aging and disability resource center functions,' which means the state's Division of Aging and its 16 area agencies on aging, is ranked fourth best in the nation. Their goal, Yonda Snyder, director

of the division, told Howey Politics, "Is to create a more consistent point of entry for individuals with a wide variety of issues related to aging or physical disability." Much of this activity involves providing seniors and caregivers with counseling, nutritional assistance, transportation, and activities for social and physical wellness. "They are our best partners and advocates in helping folks and they really are the first stop, as they should be, for people looking for help and direction," said Moreau.

The Division's flagship effort is CHOICE, a \$40-million program that served 3,660 people during the last fiscal year but required enrollees to already be impaired or at risk of being placed in a facility. For some area agencies there is a waiting list. Expanding eligibility to these services is a new law, State Rep. Ed Clere's HB 1391, which creates a community living pilot program for roughly six counties. The goal is to prevent or forestall seniors needing intensive home or facility care. Despite increased caseloads and management, the agency hopes the program will save money in the long run.

CHOICE has also worked with Medicaid's aged and disabled waiver to reduce each other's waiting lists and costs. Over the last fiscal year the waiver was able to grow from 12,570 to 15,100, adding roughly 320 new enrollees per month. "We're really trying to look at this from a systems standpoint," said Synder. "It's all about balancing all of the [state] dollars we spend, not just the Medicaid dollars." Along these lines, the state has also applied for a balancing incentives payment program grant under the ACA worth \$78 million to serve more Hoosiers through Medicaid home- and community-based services.

**Some caution**, however, is needed on overestimating the potential of aging in place and in-home services for everyone. Indianapolis long-term care attorney and consultant Richard Butler, who serves as board chairman of MedicaLodges Inc., an employee-owned largely elderly health services company headquartered in Kansas, says the scorecard probably exaggerates the feasibility (and desirability) of keeping the frail and severely disabled at home.

"A state's system must strive to keep people at home, but only when it is both medically appropriate and safe for the individual," Butler told Howey Politics. "In calculating the costs of in-home care, states need to consider

the totality of governmental resources allowing the individual to remain at home, including the cost of in-home care regulatory oversight for quality and fraud prevention as well as the governmental costs of services such as Meals on Wheels, heating and cooling assistance, and specialized transportation. Many of these local services having waiting lists and are strained for resources."

**Almost all states** fall under the same federal constraints yet are able through policy choices to maximize results and managed costs. "State leadership and vision make a difference," the scorecard remarks on long-term care policy and outcomes. "Willingness to experiment, innovate, and challenge the status quo are the hallmarks of successful states." The scorecard identified multiple best practices and policies among high-ranking states. It estimates that if Indiana adopted the long-term care and Medicaid policies of the highest ranked state (Minnesota), 32,563 more low/moderate-income adults with disabilities, most of whom would be elderly,

would be covered by Medicaid.

Maybe, maybe not. But Indiana policymakers should evaluate and consider them.

Expanding programs and loosening eligibility standards would likely run afoul of the state's recent legislative track record, which has focused primarily on lower taxes. A 2011 report by University of Indianapolis researchers concluded, "Where other states have expanded their programs to cover more seniors above the federal poverty level, Indiana has not done so to the same extent as many of the comparison states. Beyond federal funds, Indiana uses only general revenues for state-funded programs. Indiana's reliance on general revenues for state funded programs limits the amount of funds available to serve seniors, especially in the home and community-based services (HCBS) programs. These funds can be reduced at executive discretion [i.e., reversions], and are vulnerable to local economic downturns...Combine with low levels of support for publically funding HCBS services in Indiana is the more recent lack of Indiana appropriations for food banks, shelters and kitchens."

**Indiana's policymakers** need to formulate a statewide system of long-term care that does Hoosiers proud. The aging demographics of the state will likely require greater expenditure in total but not necessarily per individual if the state creates a better system to meet the varied needs of elderly Hoosiers. ❖



# Indiana's economic future is shifting to the cities

By **BRIAN A. HOWEY**

NASHVILLE, Ind. – In the 2008 Indiana gubernatorial campaign, Democratic nominee Jill Long Thompson said she intended to save every Indiana community through what she called a “three-tiered” economic plan that would infuse distressed areas with new jobs.

Howey Politics observed in the June 24, 2008, edition: “Indiana is home to dozens of forgotten communities. A town like Attica thrived 150 years ago because it was on the Wabash River. Then the railroads came and cities like my hometown of Peru thrived. Then came the National Road and U.S. highways and places like Greencastle did well. When the natural gas in East Central Indiana ran out, Gas City suffered. Then came the Interstates, and a city like Brownsburg (and now Gas City) does well. While it sounds good, I don’t think every community can be saved.”

Recent demographic analysis of Indiana reveals that it will be the state’s cities that will provide the economic thrust in a state that has seen its per-capita income decline by more than 13% in the last decade. Yet, the word “city” is not mentioned in the Indiana Constitution. There is no active “urban caucus” in the Indiana General Assembly, a body that in recent years has been overriding a number of local ordinances.

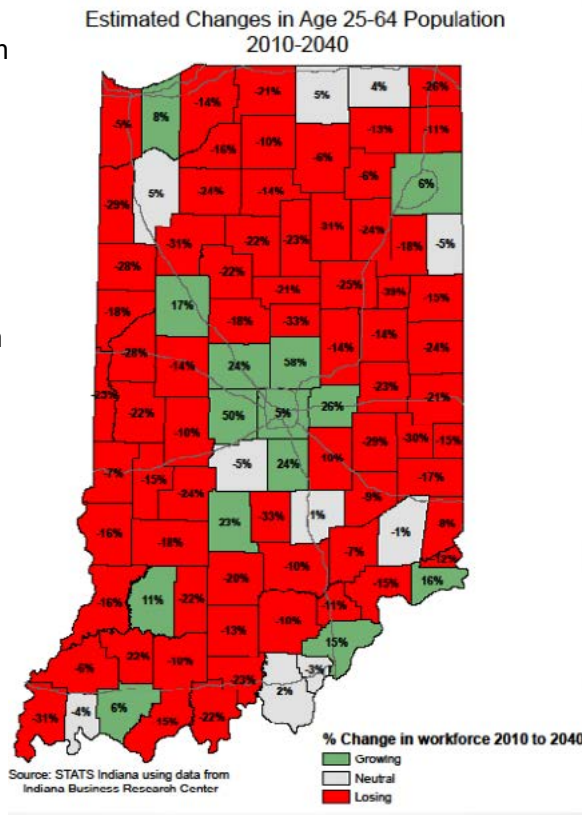
The Indianapolis region generates 33.5% of state tax revenue, according to the Indy Chamber of Commerce, but receives 28% of state tax expenditures. Four

percent of all Indiana jobs are based in a 2.6-square-mile area surrounding Monument Circle. About 205,000 income earners commute to Indianapolis daily, but pay income taxes in their home counties. “This leaves Indianapolis leaders with untapped revenue potential to tackle projects including road and infrastructure improvements,” the Indy Chamber notes. The constitutional property tax caps that passed by wide margins in many rural counties has resulted in a \$164 million cumulative loss to Indianapolis from fiscal years 2010 to 2014.

**When surveying** the list of per-capita net tax payments by county, the Indiana Fiscal Policy Institute identifies 22 of the 92 counties that give more than they receive: Vanderburgh, Hendricks, Hamilton, Bartholomew, Monroe, Dubois, Marion, Steuben, Clark, Kosciusko, Elkhart, Porter, Johnson, Boone, Adams, Allen, St. Joseph, Tippecanoe, Dearborn, Posey, Howard and Daviess.

The common thread is that each of these counties is a manufacturing, life science, research university, or part of a metropolitan area. The economic drivers of the 21st Century will be Indianapolis and the doughnut communities, Fort Wayne, Evansville, Columbus, Warsaw, Lafayette/West Lafayette, Bloomington, South Bend/Mishawaka, Lawrenceburg, Kokomo, Jasper and Princeton. The workforce for many of these economic hubs comes from not just the home county, but commuters within a 40-mile radius.

Brigitte Waldorf and Janet Ayres, professors in the Department of Agricultural Economics at Purdue University, took on the question about



**Table 2. Population Losses and Gains in Rural Indiana Counties, 2000 to 2010**

Population Change between 2000 and 2010					
Losses (in %)			Gains (in %)		
severe	moderate	minor	minor	moderate	large
-9.1 Blackford	-4.8 Rush	-1.3 Sullivan	0.0 Carroll	2.3 Union	6.4 LaGrange
-6.0 Benton	-4.5 Randolph	-1.0 Owen	0.0 Greene	2.3 Perry	8.4 Whitley
	-4.3 Posey	-0.8 Starke	0.1 Pike	2.8 Spencer	8.7 Ripley
	-4.0 Fountain	-0.3 Martin	0.1 Wells	2.8 Orange	9.0 Ohio
	-3.9 Tipton	-0.3 Crawford	0.6 Parke	3.1 Gibson	11.4 Jasper
	-3.4 Vermillion		1.1 Warren	3.5 Jennings	14.7 Harrison
	-2.6 Pulaski		1.3 Clay	3.8 Washington	17.1 Switzerland
	-2.5 Jay		1.6 Fulton	4.2 Franklin	
	-2.5 White		1.9 Brown	5.4 Putnam	
	-2.2 Newton				

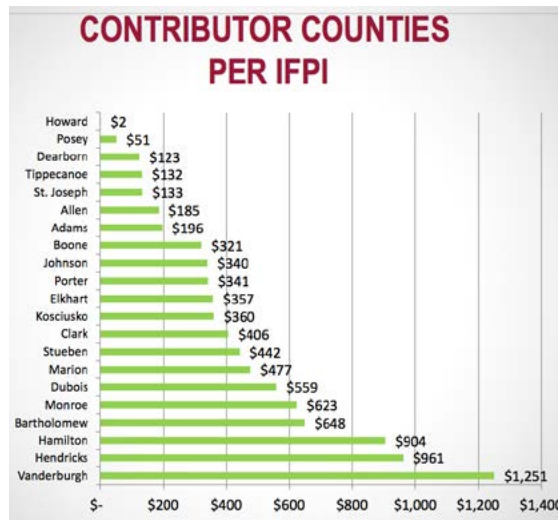
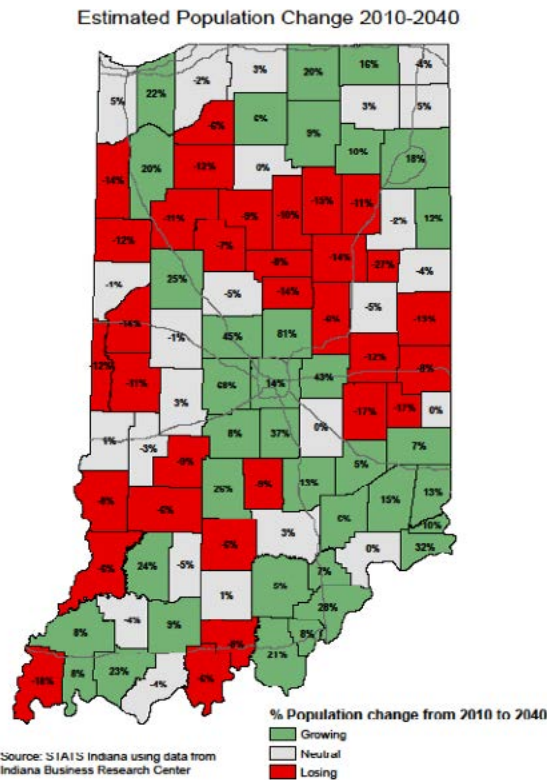
the economic viability of the 70 rural counties. Did they grow in population, or decline?

"There are actually two answers," they wrote. "The first one is: Yes! Indiana's rural counties gained almost 68,000 residents between 1990 and 2000, and an additional 16,766 residents over the last 10 years. The second answer is: Yes, the population of the rural counties grew, but not as fast as the population of the urban counties.

"Rural county population grew by 1.9% between 2000 and 2010 compared to 9% in the urban counties. Thus, urban growth is almost five times faster than rural growth. As a result, the percentage of Indiana residents living in rural areas is declining. Hence, the relative strength of rural Indiana within the state has weakened. Note that between 1990 and 2000 the urban population also grew faster than the rural population, but the urban-rural gap was much smaller. And there is a second 'but.' As a whole, the population of rural Indiana counties was growing, but 18 of the 42 rural counties have lost residents since 2000.

"Blackford County had the most severe population loss of minus 9%, followed by Benton County with minus 6 percent. For both counties, the population loss started in the 1990s," Waldorf and Ayres continue. "Rush, Randolph, Posey, Fountain, Tipton, Vermillion, Jay, White, and Newton counties had a moderate population loss of between 2 and 5%. Sullivan, Owen, Starke, Crawford, Carroll, and Martin counties had minor population losses of less than 2% between 2000 and 2010."

"Since 2000, rural Indiana lost population through net domestic migration. In fact, losses from domestic migration are bigger than the gains from the natural increase," the Purdue researchers noted. "It is only because of positive net international migration that rural Indiana still gains population. This situation is quite different than in urban Indiana. Urban Indiana gains people from natural increase, net domestic and net international migration. The rural mixed counties take on an in-between



position: They lose people because of domestic migration, but the loss is small compared to the gains from the natural increase."

And the implications?

"The slow population growth in rural Indiana, or even decline in some counties, poses a number of challenges, ranging from attracting and retaining businesses to school closures and the adequate provision of accessible health care. Addressing any of these issues is complicated, in part because a dwindling or slow-growing population often implies dwindling economic and political power. That is, insufficient population growth causes challenges and also serves as an additional hurdle when trying to tackle those challenges. Community-led strategies that strive for regional solutions and joining forces with neighboring counties or with counties that share similar problems may alleviate the situation."

**We are already** witnessing these challenges, as Matt Butler's lead HPI story this week on Indiana's treacherous status when it comes to serving an elderly population that will only grow exponentially as the Baby Boomers retire. We know that 30 counties offer no OB/GYN services and this is contributing to the other bookend, an unacceptably high infant mortality rate.

The prevailing policy culture has been a series of tax cuts that are supposed to create a business climate that generates jobs. But with that 13 percent decline in per-capita income, the jobs that are replacing high-end manufacturing jobs come in low-paying industries such as call centers and warehousing.

The tax cut culture and the property tax caps that are hammering the very economic engines that are creating jobs, and the evolving health care dilemmas at both ends of the life cycle, place into serious question how viable this state will be in the coming generation.

As for the political implications, because the maps are drawn once every decade, the political shift will lag behind the population changes. Already, legislative Democrats represent only a handful of rural counties.

The reluctance of mayors and other urban interests to maximize the power of their populations into policy that helps these economic engines thrive will be a drag on Indiana's overall economy. ❖



# IU's Madison provides an updated Hoosiers historical profile

By **STEVE HINNEFELD**  
IU News Bureau

BLOOMINGTON – Just ahead of the state's upcoming bicentennial, IU historian James H. Madison's "Hoosiers: A New History of Indiana" provides a fresh take on the familiar but sometimes surprising stories of the people who settled, built and continue to change Indiana.

Newly published by IU Press and Indiana Historical Society Press, the book covers the history of Indiana from the Ice Age to the present, including topics ranging from the rambunctious politics of the 19th century to the importance of the auto industry and Indiana's love affair with basketball.

Increased attention is given to themes that were slighted in some previous accounts, such as the lives of African Americans on frontier and farm as well as in the cities, and the crucial role played by slavery and race in Indiana's struggles over the Civil War.

Madison, a Pennsylvania native, moved to Indiana for graduate school and eventually made the study of Indiana history an academic specialty, along with scholarship of World War II. He initially set out to revise his 1986 state history, "The Indiana Way," in advance of the 2016 bicentennial celebration. But he soon realized more than a simple update would be required.

"There has been a lot of change in the last 30 years, and I wanted to incorporate that," Madison said. "But it's not just what has changed; I've also changed, my perspective has changed. And then, very importantly, what we know about the past has changed. There's new scholarship."

One area where that's the case involves the Civil War. "Hoosiers" describes the bitter fights in Indiana over the war and the draft, with Gov. Oliver Morton forcefully backing President Abraham Lincoln and a large pro-slavery element fiercely resisting.

"In the crucible of war," Madison writes, "the

outward harmony of the first few months gave way to the bitterest and most violent political battles in Indiana's history. ... Lincoln's Emancipation Proclamation unleashed fiery outrage."

Madison chose "Hoosiers" as a title because that's what the book is about. "By Hoosiers I mean the people of the state," he said. "I don't mean the state in any abstract sense. I don't mean the government, though I write about the government. 'Hoosiers' is my way of saying, 'It's about the people.'"

**And not just politicians**, business owners and other influential people. The book also includes ordinary Hoosiers, such as Mariah Mendenhall, a Jay County midwife who delivered nearly 1,000 babies in the 1800s; Joshua Jones, a 23-year-old farm boy from Muncie who died at Antietam; and the African American pioneers who settled Lyles Station in Gibson County and Lick Creek in Orange County.

In "The Indiana Way," Madison argued that Hoosiers are a cautious people, in favor of growth and development but wary of rapid change. We're skeptical of government, protective of individual freedom and strongly attached to a sense of place. The state has produced some revolutionaries: Socialist leader Eugene Debs, Indiana University sex researcher Alfred Kinsey and presidential candidate and "one-worlder" Wendell Willkie, for example. But they are the exceptions rather than

the rule.

In "Hoosiers," Madison sticks to that position, but with some qualifications. "Evolutionary, not revolutionary, change has long been the Indiana way," he writes. "In the last several decades, however, there have been signs of more rapid change."

Madison imagines an observer looking forward from the vantage point of Indiana's centennial in 1916. Who would have imagined Japanese-owned car and truck factories rising in Indiana corn fields? Women's basketball becoming a professional sport? Outlet malls replacing factories? And who would have guessed the state legislature would balk at amending the constitution to ban same-sex marriage?

**Madison is the Thomas** and Kathryn Miller Professor of History Emeritus in the IU Bloomington College of Arts and Sciences. In addition to "Hoosiers" and "The Indiana Way," his books include "Eli Lilly: A Life, 1885-1977"; "Slinging Doughnuts for the Boys: An American Woman in World War II"; and "A Lynching in the Heartland: Race and Memory in America." ❖



Indiana University Prof. James H. Madison with a monument to famed Hoosier composer Hoagy Carmichael.

# Casino revenues taking deep plunge

By MAUREEN HAYDEN  
CNHI News Bureau

INDIANAPOLIS – Beer and barbecue aren't the only draws to Daddy-O's Bar & Grill in the small town of Paris, Ill., 15 miles from the Indiana border. The prospect of winning pulls in customers as well.

Since the neighborhood bar installed five video gaming terminals in late 2012, patrons feeding \$1 bets into the virtual slots have won more than \$3 million, in payouts ranging from 40 cents to \$500.

"We open at 7 a.m. and some days people are already lined up at the door," said Rodie Neibarger, dayshift bartender and daughter of Daddy-O's owner. "We get all kinds of people, coming from all over."

The crowds are worrisome for officials back in Indiana, where tax revenues from gaming are plunging faster than predicted. Indiana's take from gaming has been steadily dropping since the recession of 2008, but the trend appears to be accelerating with increased competition from neighboring states.



A July report from the state budget agency showed gaming tax revenues fell more than 50 percent faster in the first six months of this year than analysts predicted in December.

Gov. Mike Pence said in Evansville on Wednesday that he is not likely to support land-based casinos. "It is not my intention to pursue policies that reduce gaming in Indiana, but neither is it my policy to expand gaming in Indiana," Pence told the Evansville Courier & Press)

**Ed Feigenbaum, who** tracks casino revenue for his Indiana Gaming newsletter, said July was the weakest month for Indiana's casinos in more than a decade. "We thought we'd see some rebound this summer, but it hasn't happened," he said.

Competition intensified a year ago, when Ohio legalized casino gambling and the sparkling new \$400 million Horseshoe Casino opened in downtown Cincinnati. It immediately siphoned customers from three southeast Indiana casinos, where business is still dropping by the double digits, according to the Indiana Gaming Commis-

sion.

Compounding the trend are 17,000 video gaming terminals in bars, restaurants, and truck stops throughout Illinois. There are even some in a suburban Chicago flower store and scuba shop, where merchants secured liquor licenses to make them eligible for the machines.

**Since the video slots** went online, gamblers have fed about \$8.5 billion into the machines and won back more than \$7.7 million.

That's good news for Illinois, which collects 30 percent of the winnings as tax revenue to pay for roads and infrastructure.

But Illinois' gain has been Indiana's loss. In July 2012, Indiana's 11 riverboat casinos and two racinos, where casino games are offered in conjunction with race-tracks, paid \$45 million in admission and wagering taxes to the state. A year later, that number was down to \$39 million. Last month, the state collected \$32 million. When

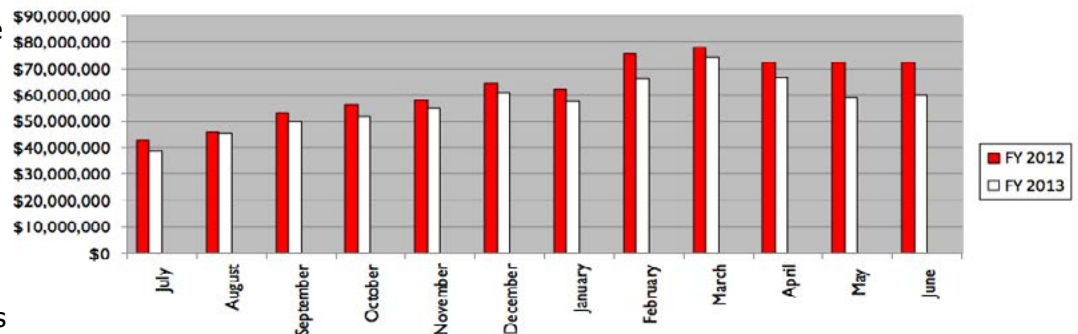
Indiana's casinos were booming, they produced nearly \$1 billion a year in state and local taxes. Gaming tax revenues dropped to under \$700 million last year.

Feigenbaum said the state's gaming venues have been adding new amenities and lobbying the legislature to loosen rules so they can add more gaming dollars.

But, he said, "There is no magic fix."

Feigenbaum said the fast rise of video gaming in Illinois caught Indiana casinos off-guard. "These things just

WAGERING TAX COMPARISON FY 2012 TO FY 2013



seemed to come out of nowhere," he said. "When you look at the money they're bringing in in Illinois, it's the equivalent of adding two new casinos. Nobody thought they would have this kind impact on Indiana."

**In Illinois, the gaming** commission continues to approve video gaming terminals, even over the objection of that state's casinos. An average of 850 machines are coming on line a month. Venues are allowed up to five machines.

That's enough for Charles Hunter, commander of the Veterans of Foreign Wars Post 3601 in Paris. Since the VFW installed five gaming machines in its bar, which is open to the public, customers have wagered more than \$2

million, and the post has made \$177,000 from the machines. The state has taken \$53,000 in taxes.

"On Friday and Saturday nights, there's a line of people waiting at the machines," Hunter said. "If you've got an extra buck or two in your pocket, it's a handy way to gamble."

**And it's easier than** driving to a casino.

"Just look at gas prices," he said. "You can take the money you'd spend driving to a casino and put it into one of these machines and maybe make a few bucks."

Indiana's lawmakers have resisted doing much until now, given Gov. Mike Pence's opposition to what he calls an "expansion of gaming" in Indiana. But declining gaming

tax revenues may prompt them to act.

Later this summer, Rep. Tom Dermody, R-LaPorte, will convene a study commission to consider changes to the state's gaming laws that could boost casino attendance. Among the potential proposals: Live dealers for the racinos' games, poker games in the casino hotels, and the relocation of the casinos off their riverboats and onto land.

**"There's got to be** some opportunity for agreement," Dermody said. "If we do nothing, revenues are going to continue to decline. At some point, even if you don't support gaming, you have to understand the impact of what losing these dollars mean." ❖

## Who actually pays taxes is not an easy guess

By **MICHAEL HICKS**

MUNCIE – Among the most malunderstood concepts in public policy is the economic incidence, or burden of taxes. One unfortunate result is a good bit of bitterness and calumny over the subject of who pays their fair share. A bit better understanding is in order.

Taxes are collected through an administrative process. Property taxes are assessed against property owners, income and payroll taxes against income earners, inheritance taxes against heirs and sales taxes against consumers. However, the actual economic incidence of these taxes is only modestly influenced by the administrative process. In other words, it is the laws of economics, not government rules, that determine who bears the burden of taxation.



Corporate taxes provide a clear example. A corporation presumably pays taxes on its net income, so the naive among us suppose that those greedy stockholders pay the taxes. But, corporations can choose how much labor and machinery and land and raw materials to purchase. They have to pay market prices for all these items; so, to pay the corporate taxes, a company will change the number of workers or machines it buys. In this way, the burden of corporate taxes are shared among workers, investors, consumers and suppliers.

Payroll taxes offer another obvious example. When

FDR pushed through social security, he did so in part by arguing that both the business and the worker would pay the tax. That is true administratively, but in fact workers bear the burden to a varying degree depending on how important they are to the business. Low skilled workers, who earn little, will pay all the tax in the form of lost earnings. Higher skilled workers, who command a higher wage and enjoy bargaining power, bear a lower share of the tax because they can force higher wage concessions on employers.

**The relative share** of tax paid by each group depends upon the relative responsiveness of each to a change in the prices they charge. Determining who pays occupies a fair bit of scholarly research, but it would take a different tax rate on every transaction to make it uniform. Moreover, because we consume and earn differently across our lifetimes, the share of income and wealth we pay in taxes depends in part on our age and whether we are businesses or households.

My goal in this column is not to sell anyone on a particular set of tax policies. I merely wish to point out that a government cannot simply change a tax law and dodge the laws of economics. Who we tax has little to do with the burden of taxation. How we tax can adjust the burden of payment. The best way to evaluate fairness in tax reform proposals is to spend some time understanding who is actually bearing the burden of the taxes. The answer may be very surprising.

Any tax debate we have should be influenced by data and analysis. The incidence, or burden of taxation is the least understood, and probably most important part of the debate. ❖

**Michael J. Hicks, PhD, is the director of the Center for Business and Economic Research and the George and Francis Ball distinguished professor of economics in the Miller College of Business at Ball State University.**

# Bock begins TV ad campaign

By **BRIAN A. HOWEY**

INDIANAPOLIS — The 2nd CD showdown between U.S. Rep. Jackie Walorski and Democrat Joe Bock is now fully enjoined as the challenger began his TV ad campaign on Wednesday.

Bock's ad shows him packing his bags, with the candidate's voice over: "I've been around the world, but it was no vacation." Instead, Bock describes his missions to earthquakes, terrorism and civil wars.



"Now the crisis is here at home," Bock continued. "Politicians look out for themselves, instead of the middle class. They shut down the government and

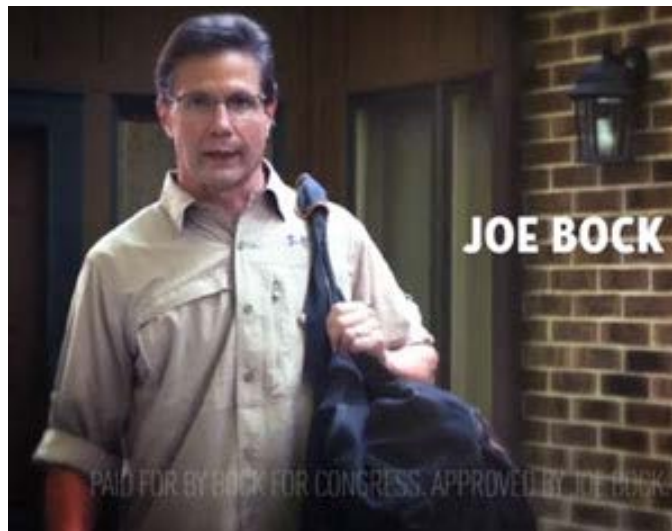
risk our paychecks, but keep getting theirs. Washington's a disaster. I'm ready to go to work."

The ad is a first poke at Walorski, who voted to shut down the federal government for 16 days in 2013 in a move that has widely discredited House Republicans, while bringing the approval level of Congress down to 14%.

"This is how I've spent my life. I'm introducing myself to the people," Bock said in a brief interview with the Elkhart Truth. Bock was an aid worker with Catholic Relief Services and the American Refugee Committee. He has been a teaching professor at the Eck Institute for Global Health at the University of Notre Dame.

Bock has worked on relief missions in Pakistan, Haiti, the Balkans and Israel. "Working in crisis relief for Catholic Relief Services and other organizations has prepared me to take on the challenges of the crisis created by politicians in Washington, D.C.," Bock said in a statement.

Walorski has already aired two TV ads beginning in July in an attempt to make the race uncompetitive. The freshman Republican talked about her "work across party lines to get things done," sponsoring a bipartisan measure to combat sexual assaults in the military, support for the Violence Against Women Act and efforts to lower propane prices.



## DCCC wins July money war

The Democratic Congressional Campaign Committee raked in \$11.5 million in July, bringing the committee's total cash on hand to \$56.7 million in the final stretch of the cycle, according to numbers released by the committee Monday (Roll Call). The DCCC's haul far surpasses the \$8 million the National Republican Congressional Committee brought in during the same month.

## Burks to chair Hogsett campaign

Indiana Democratic Vice chair Cordelia Lewis Burks will chair Joe Hogsett's Indianapolis mayoral campaign.

## 65 people running for president

The Hill writes of the "65 people who might run for president and 2016" and mentions Indiana Gov. Mike Pence and Purdue University President Mitch Daniels. Of Pence, The Hill observes, "Pence is a dark horse who shouldn't be overlooked. The former House member was Tea Party before the Tea Party existed and is well respected by social and fiscal conservatives." University of Virginia Prof. Larry Sabato's Crystal Ball is also preparing to add Pence to its presidential watch. Of Daniels, The Hill noted, "The ex-governor of Indiana decided against running in 2012 because of family concerns."

As for other potential Republicans, the newspaper writes:

**Jeb Bush** — Bush fatigue would be a significant obstacle for the former Florida governor.

**New Jersey Gov. Chris Christie** — Bridge-gate hasn't deterred Christie, who sounds like he's going to be a candidate.

**Sen. Ted Cruz (Texas)** — Tea Party star must convince kingmakers that he can beat Clinton.

**Sen. Rand Paul (Ky.)** — Paul, who is up for reelection in 2016, looks like a sure bet to run for president. Of all the possible 2016 GOP hopefuls, Paul has arguably had the best 2014.

**Texas Gov. Rick Perry** — Come-

backs are common in politics, but can Perry pull it off? He has two things going for him: The border crisis has put him front and center on the national stage, and the right has rallied behind him in the wake of his indictment in Texas.

**Mitt Romney** — The rumors of another Romney run continue to persist.

**Sen. Marco Rubio (Fla.)** — Rubio will have to decide whether to run for president or reelection in 2016. As he said, "you can't be on the ballot for two different offices" in Florida.

As for the Democrats, the newspaper says of Hillary Clinton: "Will she run? Of course she will." ❖

# School funding drives Wieser/Slager race

By RICH JAMES

MERRILLVILLE – Munster is the richest community in Lake County and also the most Republican.

When it was learned a week ago that the Munster schools were \$8 million in debt and behind on utility bills, political heads began turning. Munster school officials quickly put the blame on the Republican-controlled General Assembly, which writes the school-funding formula.



While Munster is third in the state in terms of academic scores, it is 358th out of 367 school districts in terms of per-pupil funding. In fact, Munster receives \$4,750 per student from the state, about \$1,000 behind the statewide average. Munster school officials blame the Republican-controlled legislature for the disparity. And they also say the expansion of the charter

school system has cut into the amount of money available for the public school systems. While school systems like Munster are hurting, the state has a \$2 billion surplus.

Because of a shortage of school funding, the town residents last year supported a referendum to raise an additional \$3 million in property taxes for each of the next seven years.

The Republican attacks on Democratic state Superintendent of Public Instruction Glenda Ritz and their disregard for the public education system as a whole are expected to play a major role in the November elections, both on the state and local level. That may be particularly true in the 15th House District where Democrat Jim Wieser is challenging incumbent Republican Rep. Hal Slager.

**The two are Schererville** residents who are part of the Lake Central School Corp. Lake Central receives even less than Munster in per-pupil funding. Wieser said the Republican assault on education is largely what prompted him to seek the state representative post.

Wieser's decision to run surprised many. He is a successful attorney in his mid-60s. While he has held municipal and county offices, the last one was more than two decades ago. Making Wieser's decision to run a bit easier is the fact that his wife is a public school teacher in the Munster system.

State Rep. Mara Candelaria Reardon, whose district includes Munster, lambasted state Republicans for school funding problems. Reardon said charter schools

and vouchers are hurting the public schools in her district. Rather than making drastic cuts in the quality of education, Reardon said Munster has opted to take on the extra debt to maintain exceptional schools.

**Even though Slager's** Lake Central schools are near the bottom in funding, he refused to accept blame or have blame put on fellow Republicans. Slager said the funding formula is designed to be "self-balancing" over several years.

Something tells me that self-balancing claim will be mentioned more than once in the fall campaign. The timing couldn't be much better for Wieser. ❖

**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.**

# This strange political year

By JACK COLWELL

INDIANAPOLIS – State Republican Chairman Tim Berry calls it "a strange political year" in Indiana, with only one congressional race rated nationally as competitive. And Berry says Democrats aren't very competitive yet in that one.



While Indiana was a battleground for key House races in recent elections, the one race now labeled competitive is in the 2nd Congressional District, Democratic challenger Joe Bock vs. Republican Congresswoman Jackie Walorski.

The other eight House races in Indiana? The incumbents, six Republicans and two Democrats, are "safe," facing token challenges.

Berry sees Walorski as pulling ahead significantly before Bock has even gotten known. The Republican chairman contends that Walorski leads because she has been effective both in her first term in Congress and as a campaigner.

**Now, the other side** of the story. State Democratic Chairman John Zody agrees that the 2nd District is the only one looked upon nationally as competitive. But he disputes his counterpart's view that Walorski has been effective in Congress or in convincing voters with her extensive summer TV ad campaign. The TV ads portray Walorski as working in Congress in a bipartisan way to get

things done, especially for veterans and women.

"That has not been her practice in Congress," Zody contends. He says she has a highly partisan voting record, including support of a government shutdown, and seeks credit for things for veterans and prevention of violence against women that should never have been regarded as controversial in the first place in the Republican-controlled House.

**Zody views Bock** as effectively organizing what the Democratic Congressional Campaign Committee calls an "emerging race," one considered for future targeting for all-out support. He says Bock is concentrating on voter turnout. The chairmen agree that voter turnout could be the key to victory this fall in what is likely to bring a low percentage of Hoosier voters to the polls. Both sides say they are effectively using phone banks to identify supporters for get-out-the-vote efforts.

Berry says Walorski did what voters want, seeing constituent concern over Veterans Administration problems and taking a leading role in finding a remedy, resulting in an invitation to President Obama's signing of the VA bill.

The Republican chairman says Walorski's TV ads are enhancing a positive image before Bock levels the critical ads challengers rely on to affix a more negative image on an incumbent.

"I anticipate she will not go dark (off TV) until November," Berry says. "Every day her opponent is dark (off TV) and hasn't said anything even to get earned media (news coverage) continues to bode well."

With a fundraising advantage, Walorski could go on TV this summer. She decided to do so rather than save for a fall TV blitz.

Berry notes that the early start leaves Walorski's message standing alone before viewers later get annoyed by myriad political ads. He expects huge expenditures later on South Bend television aimed at voters across the state line in Michigan, where there will be hotly contested races for the Senate and governor.

No matter what's in TV ads, Zody says, Hoosier voters are fed up with Republicans in Congress and also with the way the Republican-controlled state legislature "is squeezing local government."

**Zody points out that the 2nd District race** "was very close last time," when Walorski won with just 49 percent of the vote over Democratic challenger Brendan Mullen, 47.6 percent, and Libertarian Joseph Ruiz, 3.4 percent.

"It is an extremely competitive district," Zody says, despite Republican redistricting. So, he reasons, same district, same Walorski, same prospects for a very close race.

The state Democratic organization has contributed maximum permissible funding to Bock and is providing "in kind" technical and organizational support. Important for Bock is whether crucial big funding from national

sources, especially the Democratic Congressional Committee, will come in time to help him overtake Walorski. Will they see the "same" Walorski, quite vulnerable? Or an incumbent with too much of a lead by Labor Day to justify spending on efforts to defeat her? ❖

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



## Pollsters err, but rarely lose accounts

### Washington Post

WASHINGTON — Just how wrong does someone have to be to lose their job in Washington, D.C.? For John McLaughlin, even historically wrong wasn't enough. If the name doesn't ring a bell, maybe you know his work. He's the Republican pollster who predicted just weeks before the June election that then-House Majority Leader Eric Cantor (R-Va.) would win his primary by 34 points. This week, Cantor packed up his Capitol Hill office, having lost that election by 10 points. "The worst part of it is, you build a relationship with a longtime friend and you never want to lose," McLaughlin says now, noting that he has not seen Cantor — a client for almost 15 years — since before that fateful night. "That's a loss that you never get over."

That might be especially true if you were a young Republican congressman climbing the ranks of leadership, as Cantor was. For McLaughlin, the anguish may be real, the embarrassment may keep him up at night, but his employment status? That hasn't changed. "We got attacked right after it," he says, adding that he didn't lose any of his current clients running in the 2014 cycle. "There was a feeding frenzy of people calling up all our clients asking if they would continue to use us. But they stuck by us."

**"I'm trying to think** of anybody put to such desperate shame that they never worked again, but I can't think of it," says Edward Lazarus, a former Democratic pollster. "People were fired from campaigns, but I can't think of it ever ending their career."

McLaughlin gets it right a lot more often than he is wrong. But he's had a bad string of it lately. In 2012, he had former senator George Allen (R-Va.) up 47 percent to 44 percent just weeks before he lost his Senate race by six points to former Virginia governor Timothy M. Kaine (D), and he had Republican presidential nominee Mitt Romney beating Obama in Virginia by seven points, only for him to lose by four. As for the Cantor race, McLaughlin says that he was blindsided by people who don't normally vote in Republican primaries (including Democrats) and that no one could have seen it coming. ❖

# Not buying the Bayh story

By **CRAIG DUNN**

KOKOMO – Don't buy the Bayh story that is being sold.

When I was growing up in my family of seven children, I had the distinct privilege to share a bedroom with an older brother and sister. My brother, being the fifth child, found it a great exercise of rare power to engage in tormenting my sister and me. He made it his goal to show



us just who the boss was in our bedroom. Think of it as something out of a prison movie where one inmate threatens to "shiv" you unless you sleep on the top bunk and clean the toilets.

One of my brother's favorite tactics was to try and scare us with tales of the East Jefferson Street boogie man. My brother's version of the boogie man hid under the beds and if we got up in the middle of the

night, snored or committed any other infraction from his ever-growing list, then we would be grabbed, mutilated and rendered unidentifiable by our parents. Fear was my brother's primary weapon in trying to control the behavior of his sister and brother.

My mother would fuss and fret, tell us there was no such thing as a boogie man and try to alleviate our fears. It didn't work. It was only when my father got tired of us crying and whining that he got up in the middle of the night, came into our bedroom, got down on the floor with my oldest brother's BB gun and shot it under the bed. My disgusted dad shouted, "Now the boogie man is dead, shut up and go to sleep!" The boogie man was gone forever.

**Lately, the media** would have you believe that there is a boogie man hiding under the political bed in Indiana. With tales of woe to the Republicans, the media spins the yarn that the boogie man hiding under the bed will soon come out, grab the governor's office, cut into the GOP super majorities and blow some air into the inflatable ducky that is the dismal Democratic Party. That boogie man is none other than Evan Bayh. To this visceral fairy tale threat, let me be the first to shoot the BB gun under the bed.

Evan Bayh will not run for governor nor any other office in Indiana, in 2016 or thereafter. The reason that Mister Bayh is done with Hoosier politics as a candidate is, most simply, "Been there, done that." I can't imagine that Evan Bayh is so bored with his Fox News jet-setting life that he would want to return to the cornfields of Indiana

and the governor's office.

What would Bayh hope to accomplish as governor? Would he work to eliminate the constitutional caps on property tax? Would he work to increase income taxes and personal property taxes? Would he fight to restore the Indiana inheritance tax? How about education? Would he go to battle to take school choice from the parents and children of Indiana? Would he insist that funding for school operations be handled locally, instead of by the state? Would Evan Bayh warmly embrace Obamacare? Would he roll back some of the protections for unborn children? You get my drift?

**Faced with overwhelming** Republican majorities in both houses, legislative districts that will be untouched until 2020 and an extremely popular laundry list of accomplishments by the administrations of Mitch Daniels and Mike Pence, Evan Bayh Version 2 would not be nearly as successful nor as popular as Version 1. It would be much like going from a 2014 Apple Macintosh computer to a Commodore 64. Who wants to do that?

That good old boy and political psychologist Dr. Sigmund Freud believed that the great motivators for all humans were money, sex and power. It is always good to keep these in mind as we examine the motivations of politicians at any level.

I'll not comment on the element of sex because I am told that the governor's office is a terrible place to pick up chicks. That leaves us with money and power.

There is plentiful evidence that Evan Bayh and his lovely wife Susan have more than enough money to pay the light bill and still have a few shekels left over at the end of the month. As the boys in Beanblossom say, "They've got the cash to burn a wet dog!" When Bayh left the governor's office in 1996, he showed the financial effects of the laughable pay for serving as Indiana's chief executive. Neither Bayh nor his wife amassed any significant wealth during their time as governor and first lady. However, Mr. and Mrs. Bayh wasted no time in piling up beaucoup bucks in the years following their halcyon days in the Statehouse.

The United States Senate was very good for the bank accounts of the Bayhs. Last year, the Indianapolis Star estimated that the Bayhs were worth as much as \$5.1 million. That included their luxury \$1.8 million beachfront home in Delaware and their \$1.65 million home in Washington, D.C. That's a pretty amazing achievement on a senator's salary. Well, there were all of those corporate boards and free stock options, including WellPoint, which Susan Bayh instantly qualified for after her husband joined the Senate club. This being said, I do not begrudge anyone for trying to better themselves and join the "one percenters." My point here is that the Indiana governor's office still pays peanuts. It's no way to get richer!

**That brings us to the last** motivator: Power. Unless Evan Bayh gets an inordinate amount of satisfaction from doing economic development announcement ribbon cuttings or ground-breaking ceremonies, he would

not find much power if he returned to the governor's job. The real power would rest with a Republican Speaker of the House and a Republican Pro Tem in the Senate. He still could appoint friends and friends of family to jobs in key positions, but he would find true power to be elusive.

**The only real power** that Evan Bayh has not experienced is in the executive branch of the United States government as either president, vice president or as a cabinet member. At this point in time, president seems to be beyond his reach. Hillary is the darling de jour of the left wing and Bayh's previous views on protections for the unborn make him toxic to the base of the Democrat Party. His moderate credentials make him a little more palatable as a vice presidential candidate, but there is no guarantee he could even carry his home state. That's Indiana, not Delaware!

It would appear to me that Bayh's only governmental destination might be in a prospective Hillary Clinton cabinet. That would work well with the beachfront home and would give Susan some great new credentials to add to her resume. Author's note: See money as a motivator.

I know that the nocturnal dreams and fantasies of every red-blooded Democrat in Indiana, with the exception of John Gregg and Tom McDermott, is a Bayh run for governor and a healthy sprinkling of a smidgeon of his \$10 million war chest around the state. I am sorry to burst their bubble, but in 2016 Evan Bayh will enter a phone booth and emerge, not as Superman, but as citizen Bayh of Delaware or Washington, D.C. ❖

**Dunn is chairman of the Howard County Republican Party.**

## Facts can be irritating things

By **MORTON MARCUS**

INDIANAPOLIS – A few readers of the South Bend newspaper have sent emails complaining that either they do not understand my columns or that I waste their time by not sticking to the facts. That I include some of my conclusions from the data seems to be an irritant.



In deference to these readers, this week I will present only the facts and withhold my observations. I am trusting the facts are sufficiently clear that all readers will be able to draw their own conclusions about our state's economic performance.

Twice a year, the U.S. Bureau of Labor Statistics (BLS) collects and then releases data on the number of persons in each state working in different occupations. In addition, BLS calculates the median earnings of those workers. The median, as regular readers remember, is that number which divides a series into two divisions, with half of the observations above the median and half below it. This gives us an indication of what Hoosiers and all Americans earn in the various occupations.

**Now, unless one suspects** the BLS of falsifying the data for unspecified political reasons, or is incompetent to collect such information, we can take these data as facts.

Indiana's annual median wage for all occupations was \$31,990 in May 2013, 8.8 percent below the national

figure. From May 2003 to the same month in 2013, Hoosier wages rose by 19 percent, while median wages rose by 25 percent nationally.

**The highest median** wages in 2013 paid nationally (\$95,600) and in Indiana (\$80,300) were for management occupations, with our executives receiving 10 percent less than their national counterparts in 2003 and 16 percent less in 2013.

Employment in legal occupations grew faster in Indiana than in the U.S. (26 percent vs. 9 percent), but at \$56,090, we were 26 percent below the national median.

Indiana's healthcare practitioners and technical occupations were paid 13 percent less in 2013 than those persons nationally. Healthcare support occupations in Indiana saw their median earnings rise by 15 percent over the period '03 to '13, while the national figure rose 22 percent.

Hoosiers in transportation and material moving occupations are closest to their brothers and sisters in other states, trailing in median wages by just 0.6 percent in 2013 after being 6 percent above the nation in '03.

In a sense, our best performance was in farming, fishing, and forestry occupations. Only 5,200 jobs fell into this group in '03; that figure declined to 3,400 in '13. Nonetheless, the median wage for this activity increased by 28 percent in Indiana, but only 15 percent in the U.S.

**Protective service jobs** offered Hoosiers a median wage of \$34,480 in '13, about 6 percent lower than the national median. This was an improvement over '03 when Hoosiers lagged behind by 11 percent.

There are more facts to be had from the BLS data, but I am about to run out of space and you, dear readers, will have to draw your own conclusions as to the meaning of all these numbers. ❖

**Mr. Marcus is an economist, writer, and speaker who may be reached at [mortonjmarcus@yahoo.com](mailto:mortonjmarcus@yahoo.com).**



**Maureen Dowd, New York Times:** Affectations can be dangerous, as Gertrude Stein said. When Barack Obama first ran for president, he theatrically cast himself as the man alone on the stage. From his address in Berlin to his acceptance speech in Chicago, he eschewed ornaments and other politicians, conveying the sense that he was above the grubby political scene, unearthly and apart. He began "Dreams From My Father" with a description of his time living on the Upper East Side while he was a student at Columbia, savoring his lone-wolf existence. He was, he wrote, "prone to see other people as unnecessary distractions." When neighbors began to "cross the border into familiarity, I would soon find reason to excuse myself. I had grown too comfortable in my solitude, the safest place I knew." His only "kindred spirit" was a silent old man who lived alone in the apartment next door. Obama carried groceries for him but never asked his name. When the old man died, Obama briefly regretted not knowing his name, then swiftly regretted his regret. But what started as an affectation has turned into an affliction.

A front-page article in The Times by Carl Hulse, Jeremy Peters and Michael Shear chronicled how the president's disdain for politics has alienated many of his most stalwart Democratic supporters on Capitol Hill. His bored-bird-in-a-gilded-cage attitude, the article said, "has left him with few loyalists to effectively manage the issues erupting abroad and at home and could imperil his efforts to leave a legacy in his final stretch in office."

Senator Claire McCaskill of Missouri, an early Obama backer, noted that "for him, eating his spinach is schmoozing with elected officials." First the president couldn't work with Republicans because they were too obdurate. Then he tried to chase down reporters with subpoenas. Now he finds members of his own party an unnecessary distraction. His circle keeps getting more inner. He golfs with aides and jocks, and he spent his one evening back in Washington from Martha's Vineyard at a nearly five-hour dinner at the home of a nutritional adviser and former White House assistant chef, Sam Kass. The president who was elected because he was a hot commodity is now a wet blanket. ❖

**Scott Moody, The Federalist:** Politicians and policy makers alike often disregard basic economic principles when it comes to health care. The current debate about Medicaid expansion is especially lacking in this regard. In Indiana, Gov. Mike Pence has asked the federal government to expand Medicaid under the auspices of his "Healthy Indiana 2.0" (HIP 2.0). The promise of federal money seems to be a convincing-enough argument for those concerned about the financial stability of Medicaid expansion. But according to recent analysis by State Budget Solution's Federalism in Action project, HIP 2.0 would have a devastating impact on Indiana's economy

by shrinking the private sector and, in turn, eliminating jobs and lowering income. The report does much more than remind us "there is no such thing as a free lunch." Unlike the private sector, government is a "taker" and not a "maker," meaning that new spending by the feds in Indiana cannot expand the economy—it can only expand Medicaid rolls. The private sector, however, can expand the economy by creating more jobs and providing more income to individuals and families. The problem with greater government spending is that it crowds out potential growth in the private sector. By our calculations, the cost of accepting federal funds for Medicaid expansion amounts to \$9.5 billion for the Hoosier State over the first three to five years[1] that will have to be paid somehow—either by shrinking the labor force—as many as 176,928 jobs lost—or reducing private sector income per household—as much as \$3,721 per household. In reality, Indiana will wind up with a terrible mix of both. These increased costs for Indiana will prevent the state from ever being able to carry out its vision for the most vulnerable residents. And worse, it will have a ripple effect that will disrupt the private sector significantly. What makes all of this surprising and disappointing to supporters of robust federalism is that Mike Pence is no stranger to the concept. Many have heralded Pence as a champion of policies that encourage local control. As a member of Congress, he voted against Medicare Part D and the No Child Left Behind—two pieces of legislation that have significantly

increased the role of the federal government in affairs traditionally reserved to the states. Pence claims that HIP 2.0 will provide Hoosiers with a state-based solution to provide for the needs of the most vulnerable. However, by doing so under Obamacare's Medicaid expansion, the state will also accept \$2.9 billion from the federal government. According to our research, federal funds already make up one-third of the Indiana state budget. Given Washington's continued string of broken promises, can Washington really be trusted to keep its funding promises? ❖

**Erika Smith, Indianapolis Star:** Day after day, I keep watching the situation in Ferguson unravel. The tear gas. The armored vehicles. The peaceful protests turned violent looting expeditions. And now orders to bring in the National Guard and a preliminary autopsy report that shows Michael Brown, the unarmed black teenager who was killed by a white police officer, was shot six times — twice in the head. The whole thing is just a mess. A scary mess all unfolding just a few hours away. I keep asking myself: Is this something that can happen in Indianapolis, this kind of rage in the streets over a black male shot to death by police? I want to say, "No, not here. Never!" But, if I'm honest, the answer is more like, "Well, maybe. Hopefully, not!?" ❖



## Judge says Pence actions ‘troubling’

INDIANAPOLIS – Gov. Mike Pence contradicted himself on same-sex marriage, telling the court he had no power to enforce Indiana’s gay marriage ban, then directing executive agencies about how to proceed after court rulings on the subject, a federal judge says. U.S. District Judge Richard Young ruled Tuesday that Indiana must recognize same-sex marriages performed in other states, but he put the order on hold as a federal appeals court is taking up his earlier decisions on the issue (Associated Press). Also in the Tuesday ruling, Young said that on June 26, a day after he struck down the ban, Pence ordered agencies to abide by that ruling. But when the 7th Circuit Court of Appeals stayed Young’s order, the governor said that “executive branch agencies are to execute their functions as though the U.S. District Court order ... had not been issued.” That, Young wrote, contradicted Pence’s repeated assertions that he did not have “any authority to enforce, or other role respecting,” the state’s ban on gay marriage. Pence “did what he claimed he could not do by directing executive agencies on how to proceed in enforcing the law.” Young called Pence’s actions a “bold misrepresentation” and said that he found them “to be, at a minimum, troubling.”



no hostages to be saved, administration officials said Wednesday. The officials — speaking a day after the Islamic State in Iraq and Syria posted a video showing the American journalist James Foley being beheaded — described what they called a “complicated operation” in which the commandos were dropped by helicopter into Syrian territory in an attempt to rescue Mr. Foley and others being held by the Sunni militant group. The Army commandos fought their way to the spot where they believed that ISIS was hiding the hostages, the officials said. But when the team swooped in, the hostages were gone. “We’re not sure why they were moved,” a Defense Department official said. “By the time we got there, it was too late.” The official said it may have been “a matter of hours, perhaps a day or two” since the hostages had been there. Foley was embedded with members of the Indiana Guard’s 76th Infantry Brigade Combat Team, during which time he wrote several stories and took photographs for the Post-Tribune newspaper in northwestern Indiana.

## Ethics complaint involves Huston

INDIANAPOLIS — A former top Indiana education official’s role in the sale of \$1.7 million worth of videoconferencing equipment to the state by Cisco Systems Inc., where he worked before and after holding that state position, has added to calls to strengthen Indiana’s ethics laws amid a recent spate of boundary-pushing incidents (Associated Press). State Rep. Todd Huston left his Department of Education job as chief of staff to former Indiana Schools Superintendent Tony Bennett in 2010 for a position with Cisco, where he had worked previously. He was involved in the 2012 sale of a new TelePresence videoconferencing system to the DOE that officials later determined was a waste of taxpayer money. Although Huston says he was careful

to keep his work for the state and for Cisco separate over the years, good-governance watchdogs say his role in the sale violated the spirit of Indiana’s ethics rules designed to stop state employees from cashing in on their public experience in the private sector. Last month, a top aide to Democratic Schools Superintendent Glenda Ritz filed an ethics complaint with the inspector general’s office alleging that state workers violated contracting rules in making the purchase. The complaint doesn’t mention Huston directly. The allegation comes amid a slew of high-profile ethics investigations this year which have found little formal wrongdoing, but left state ethics officials faulting gaps in the law itself. Huston said he sought ethics advice throughout his time at the DOE and distanced himself from Cisco projects. He said he remembered the video conferencing equipment deal but didn’t recall playing a major role in the decision. “I didn’t go there to work with the DOE,” Huston said of Cisco. “I went there to work with higher ed.”

## Passenger rail service extended

INDIANAPOLIS – The Indiana Department of Transportation and seven local partners will keep funding passenger rail service between Indianapolis and Chicago through Jan. 31 while the state agency negotiates with a private vendor to operate the line, it said Wednesday. INDOT and the communities of Indianapolis, Beech Grove, Crawfordsville, Rensselaer, Lafayette, West Lafayette and Tippecanoe County agreed to the four-month extension of the Hoosier Line .

## Dr. Brantly to be released today

ATLANTA - Dr. Kent Brantly who contracted the Ebola virus in West Africa will be released from an Atlanta hospital today (Associated Press).

## U.S. tried to rescue Foley

EDGARTOWN, Mass. — A secret nighttime military mission authorized by President Obama to rescue Americans held captive in Syria failed early this summer when a team of two dozen Delta Force commandos raided an oil refinery in the northern part of the country but found after a firefight with Islamic militants that there were