



On the campaign trail with Gov. Pence

Governor's Rush County Lincoln speech a precursor to big decisions for 2016

By **BRIAN A. HOWEY**

RUSHVILLE, Ind. – Seventy-five years ago, this Hoosier town became the epicenter of American Republican politics as presidential nominee Wendell Willkie used his wife's hometown to headquarter his campaign challenge to President Franklin D. Roosevelt. Tuesday night, Gov. Mike Pence returned to the county for its Lincoln Dinner address, vowing that "Indiana will lead the way" in the national conversation in what he envisions to be potentially a post-Obamacare, post-Medicare era.

Citing an emerging era of "less government, less taxes and less regulation," Pence said that Indiana stands conspicuous because "things are different here in Indiana due to Republican leadership. Rush County played a leading role in electing common sense leadership. Because of common sense



Gov. Mike Pence hands out plates to attendees at the Rush County Lincoln Dinner Tuesday night. (HPI Photo by Mark Curry)

leadership over the last 12 years, Indiana is on a roll and Republican leadership has made a difference."

This could have been a typical Lincoln Dinner speech for a governor just past the halfway point of his term. But Pence is poised with the federal waiver for Healthy Indiana Plan 2.0 to drive a national conversation, particularly if the U.S. Supreme Court rules against the Obama administration in the King v. Burwell case likely to be determined in June, just weeks after Pence will make a decision for 2016 on whether he will

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The growing Ritz brand

By **MAUREEN HAYDEN**
 CNHI Statehouse Bureau

INDIANAPOLIS – State Sen. Jean Leising went to a local Farm Bureau breakfast expecting to be quizzed on a complicated tax relief bill for farmers.



Instead, the Republican from a rural district was bombarded with questions about why her GOP colleagues appeared dead set on stripping power from the Democratic state schools' chief, Glenda Ritz.

"That's all they wanted to talk about," Leising said.

A few days later, Leising joined a group of seven Republican senators (out of 40) who voted against a measure to



"I'm encouraged by what I'm hearing. If I had to make an announcement today, I'd probably be in. That's where my head is."

- Former congressman Baron Hill on what appears to be a probable Democratic gubernatorial bid



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remove Ritz from her high-profile role as chairwoman of the state Board of Education.

"I do think the board makeup needs to be dealt with," Leising said of the politicized and dysfunctional relationship between Ritz and the board, whose members are appointed by the governor. "But the timing is all wrong."

Sen. Randy Head of Logansport thought so, too. He's been bombarded on Facebook with a bipartisan assault of pro-Ritz supporters protesting a series of Republican actions they see as anti-Ritz.

The common theme in their complaints, he said, was that it appeared to be an abuse of political power.

Neither Leising nor Head is a Ritz supporter, but both were willing to defy party leadership, who picked the measure to remove Ritz as chairwoman to be Senate Bill 1, a clear indicator of priority.

Both GOP lawmakers think they have a good gauge of their constituents' sentiments about education.

In an era of Republican-driven reform that's tied testing to teacher pay, student retention and school ratings, they see that it's Ritz who comes across as a champion of less testing and more local school flexibility. And the message seems to resonate across party lines, outside of Interstate 465.

Senate Bill 1 may be more symbolic than significant. It doesn't remove Ritz from her elected office as superintendent of public instruction, nor does it take away her power to run the Department of Education. It does give authority to the state Board of Education to pick its own leader.

Leising and Head worry that

the proposal may do much more. By insisting on its passage, Republicans elevate Ritz to martyr-like status, which is something that she and Democrats might capitalize on in the next election.

Ritz was largely unknown when she won her office two years ago. Her upset victory was seen as a referendum on her prickly predecessor, education-reform champion Tony Bennett.

"Nobody really knew Glenda Ritz two years ago," said Leising. "Now everybody seems to. This has to be pushing her name recognition way up."

Joe Losco, co-director of the Bowen Center for Public Affairs at Ball State University, affirms that.

In 2013, the center conducted its annual Hoosier Survey after Ritz was in office just a few months. It found that 77 percent of those

polled didn't know enough about Ritz to have an opinion of her.

Last year, after months of open battles between Ritz and the state board and Gov. Mike Pence, only 28 percent polled said the same thing.

Amid the build-up to last week's vote on Senate Bill 1, Ritz was featured prominently in media coverage, in part because of a pro-Ritz rally that drew hundreds to the Statehouse despite a looming snowstorm. More than a handful of signs proclaimed "Ritz for Governor," a notion that she's not entirely stamped down.

"That's one thing for sure: People will know her name now," Losco said. "Though whether or not that's for advancing cause of education or deterring it remains to be seen." ❖



Supt. Glenda Ritz at a Statehouse rally earlier this month. Her name ID has increased dramatically in the past two years. (HPI Photo by Mark Curry)

Pence, from page 1

stay the course for a reelection bid in Indiana, or seize the opportunity to run for an open White House. Polls show the Republican race in considerable flux, with expected frontrunner Jeb Bush in fifth, trailing Wisconsin Gov. Scott Walker 25% to 10% in a Quinnipiac Iowa poll released Wednesday.

Pence's Rush County speech could be viewed as a precursor to a sequence of events not unlike Gov. Mitch Daniels' 2011 flirtation with a presidential race the following year. On Friday night, Pence will deliver the Reagan Dinner address at CPAC in Washington, the same venue that Daniels enthralled the GOP with his "new red menace" speech. Over the weekend, Pence joins his congressional predecessor, David McIntosh, who now heads Club For Growth, in a critical Florida gathering of 2016 presidential contenders that will include Bush, Walker, Sen. Marco Rubio and Louisiana Gov. Bobby Jindal. That will be followed by a Pence appearance at the American Enterprise Institute. All of these venues positioned Daniels for a credible entrance into the presidential race, which he and his family later rejected.

Or as Jean Ann Harcourt, former Rush County chairwoman, observed in her introduction of Pence Tuesday night, Indiana's 50th governor is "positioned to run for president." Observing his appearance on Fox News Sunday just days before, Harcourt asked as a beaming First Lady Karen Pence looked on, "Didn't he look good?"

Some fret that by waiting until the Indiana General Assembly sine die on April 29, Pence could be too late for the big dance. "If you're running for president, you have to do it the right way and be all in. If you can't do that until the legislative session is over, it's better to get that behind you so you have solidified your record of cutting taxes and creating jobs," Keith Appell, a Republican strategist and Pence supporter, told *The Hill* in Wednesday's edition. "Then, you have that record to run on and can focus energies com-

pletely on running for the White House." But, Appell adds, "You can make a credible argument that those who get out there earliest have a leg up, but they're also vulnerable to stumbling earlier, so I think it evens out."

And Pence is on a very similar timeline to what Daniels worked in 2011, making his final decision in late May of that year.

In Rush County, Pence spoke like a national candidate. He observed of wife, Karen, "She's the hardest working First Lady in America." He acknowledged "challenging times" for the U.S. with "reduced stature and deep debt."

"America is not acting as the leader of the free world, but is leading from behind," Pence said. He told the story of a man coming up to him at the Indiana State Fair last summer "with all the signs of excessive cable TV viewing." The man asked, "Do you think we're going to make it?"

Pence explained, "I put my hand on his shoulder and said, 'Of course we're going to make it.'" And the governor quickly added, "Indiana is going to play a role, an out-sized role. Indiana can play a role far more than our share in the future of this country."

Throughout Pence's flirtation with a national run in 2016, he deflects any perceived naked ambition by praising Hoosiers, repeatedly saying his success is just reflective of the hard working folks across his state's amber waves of grain. It's code for a governor keeping an eagle eye on an opening.

And Pence told of a group of lawmakers gathering on the steps of the U.S. Capitol just hours after the Sept. 11, 2001, terror attacks in New York, Washington and Pennsylvania. They all ended up singing "God Bless America." A rattled 6th CD constituent returned home to find the kids watching the network coverage, with one of them saying, "It's OK, we just saw Congressman Pence on TV and he was singing."

The untold story is that with a muddled early presidential field, Pence has policy assets. He rattles them



First Lady Karen Pence gives Rush County Republicans an update on her children as Gov. Mike Pence looks on. (HPI Photo by Mark Curry)

off in a familiar way we've heard many times. Indiana unemployment has dropped from 8% to 5.8%. And 100,000 private sector jobs have been added. Hoosiers are leading the way in matching up career and vocational education to the needs to regional employers. Indiana has a AAA bond rating. Test scores and graduation rates are up, with Supt. Glenda Ritz announcing Wednesday that graduation rates rising to 89.8%, up from 88.6%. Good teachers are getting bonuses, funding is increasing as well as the number of charter schools and voucher students. He signed the biggest tax cut in state history.

But the biggest, most time-conspicuous policy asset of all may be HIP 2.0. At a time when most of the Statehouse press corps was obsessed with the errant Just IN news portal fiasco, Pence had forged perhaps his greatest policy achievement that will bring skin-in-the-game health coverage to hundreds of thousands of Hoosiers, without a tax increase.

It fits neatly in another consistent theme he enunciated once again for HPI on the drive from Indy to Rush County and one he will voice at CPAC's Reagan Dinner tomorrow: "We've got to bring state-based reforms back to the center of the Republican Party."

The timing of HIP 2.0

Before CPAC, Pence will invoke President Reagan, who gave a 1982 speech in the Indiana House Chambers making an appeal for a focus of power to be returned to the states. Pence asked Reagan adviser Ed Meese a few years back if he remembered the Reagan speech in Indiana. "I remember it like it was yesterday," Meese replied. President Reagan was a governor. He would go to Washington, "asking for taxpayer dollars to solve California's problems."

"We've got to be about solutions that are state-based," Pence said. HIP 2.0 will be his Exhibit A. He was bolstered last weekend when he attended the National Governors Association in Washington and was approached by counterparts about HIP 2.0, which had received an Obama administration waiver in January. "We essentially ended traditional Medicaid," Pence told me. "In Indiana for all able-bodied people we've replaced Medicaid with the first market-based, consumer-driven health coverage. Every participant has to make a monthly contribution." Some pay as little as \$1.

"We've had some people sign up and they make the first monthly payment with change," Pence said.

Asked if HIP 2.0 was his top policy achievement to date, Pence puts it in the context of his administra-

tion's "Roadmap" which promised two planks on jobs and investment, two on education, one on workforce development and the final "improving the health and well-being of Hoosiers."

"When I look at what we've done, I would say it's a significant advancement for the health and well-being of Hoosiers," Pence explained.

Next week, the U.S. Supreme Court will hear the King v. Burwell case. The New York Times reporter Margot Sanger-Katz explained: At issue is whether the law's language allows the government to help middle-income people buy insurance everywhere in the country, or only in states that have set up their own insurance marketplaces. If the court rules for the plaintiffs, the result will be wide schisms in people's access to health insurance by state.



Gov. Pence discusses his Healthy Indiana Plan 2.0 waiver from the Obama administration in January. (HPI Photo by Mark Curry)

People in Washington, D.C., and the 13 states running their own marketplaces would be unaffected. But residents of the remaining states could lose the subsidies that help them afford insurance, meaning sharp increases in the numbers of uninsured Americans living there. According to one projection, the case could result in eight million more Americans being uninsured in 2016.

Asked if the Supreme Court ruling against the Obama administration on King v. Burwell would be the opening volley for a significant revamping of the Affordable Care Act, with the example of what states can innovate in Indiana's HIP 2.0 taking a significant perch in such an aftermath, Pence responded, "I think that's a fair reading." While Pence noted that President Obama told governors over the weekend he was "very confident" the Supremes would rule in his favor, there are those who believe the

ACA as we know it could be scuttled.

"I'm urging Congressional leaders and Republican governors to look to our reforms," Pence continued. "It will be an open question. I believe what Congress should do is give the states an alternative to the state exchanges. Take the tax credits and create more choices in the market place. It's a flexibility thing."

Pence points out that from the very beginning of his administration, he had to convince Health and Human Services Sec. Kathleen Sebelius that the original Healthy Indiana Plan waiver under the Daniels administration should be continued. In a Nov. 15, 2013, letter to Sec. Sebelius, Pence wrote, "Our request reflects an interest in preserving the innovation, flexibility and freedom that the people of Indiana have come to appreciate in the delivery of health care services. As the Obama administration continues to adjust the practical implications of the Affordable Care Act, our hope is that you will also be amenable to the Healthy Indiana Plan as a satisfactory alternative to the traditional Medicaid model for health care delivery and coverage expansion."

A critical bargaining point for Pence was the bipartisan support HIP initially received in the Indiana General Assembly. "When you have Pat Miller and Earline Rogers both supporting it, that carried weight," Pence said of the Republican and Democratic state senators who voted for the original HIP.

"We were faced with three choices," Pence said. "Door 1, don't do anything. Door 2, buy into Medicaid. We advanced Door 3, which was to give the state flexibility."

"If the Burwell case goes like I hope it goes, it gives us an opportunity to rethink the core of health care," Pence continued. "The Burwell case gives us a profound opportunity ... to start over on health care reform and bring in the policies of state flexibility and consumer choice. It would be a very unique opportunity to essentially repeal Obamacare and come up with reforms that are market-based and consumer-driven."

If the Supreme Court rules for the Obama administration, Pence finds himself at the nexus of state rights, of state flexibility that would give him a national platform in a presidential race. "I do believe that Indiana is on the leading edge of Medicaid reform. My view is, we've been a driving force," Pence explained.

Pence spent about five minutes talking to Rush County Republicans about HIP 2.0. The response was applause, though not overt enthusiasm. Hoosiers have long been deeply suspicious about anything related to Obamacare, though 218,000 have signed up for coverage in the federal exchange, according to HHS statistics released earlier this month. As of Wednesday, 37,000 new members

had signed up for HIP 2.0.

Are you going to run for president?

This was not a question we asked Gov. Pence. The answer has been the same for months. On Fox News Sunday, host John Roberts tried. "With Jeb Bush pushing the schedule as he is and now Governor Walker following suit, everybody else running to wrap up donors, waiting until May, is that too long before you would potentially make an announcement?" Roberts asked. "Could you catch up if you waited until May?"

Pence responded, "Well, you know, I am just a small town guy from southern Indiana with the privilege of serving in the Congress for a dozen years and now a privilege of serving as governor for two years. But I was raised on some old-fashioned values. And one of those ideas is what comes out of the old book that essentially says whoever is trustworthy in lesser things may be trusted with greater things. It really tells me in my heart that as we work on passing another budget, a balanced budget amendment, increasing investment in education innovation, expanding charter schools in what is the largest educational voucher program in

America, that my job, my focus, needs to be on the state of Indiana, the people of Indiana and any decisions about my future."

Would waiting until May be too late?

Pence responded, "Well, you know, I like to say I'm an A to B, B to C, C to D guy. So, I was raised to say do what is in front of you, do it well and then we'll consider whatever opportunities. We'll make decisions about our future based on where we feel called to serve."

To the Washington Post at the NGA conference, Pence explained, "My head's in Indiana. I have a great interest in being part of the debate over this country's future and intend to take advantage of those opportunities, but my focus is Indiana."

Pence will probably not get overt endorsements from the Koch brothers and Club For Growth, but he has powerful allies in their leadership and will have access and the good faith of their sprawling donor networks.

His head is in Indiana. His focus is Indiana. So is his heart. But the other part of the equation is that some of the most compelling national policy answers just might be found in Indiana with the governor a chief advocate.

Or as Jean Ann Harcourt put it in Rush County Tuesday evening, "I'm very anxious for April 29, to hear his decision." ❖



Gov. Pence rallied Rush County Republicans Tuesday night. (HPI Photo by Mark Curry)

Hill nearing candidacy for governor; denies LG offer to Ritz

By **BRIAN A. HOWEY**

INDIANAPOLIS – Former congressman Baron Hill told Howey Politics Indiana on Wednesday that he will be a likely gubernatorial candidate. “I’m encouraged by what I’m hearing,” Hill said. “If I had to make an announcement today, I’d probably be in. That’s where my head is.”

Asked if he had been approached about the U.S.

Senate race against Sen. Dan Coats, Hill said there had been some discussions. “I always said I’d keep an open ear, but my intention has always been running for governor. That’s where my head is.”

Unless Hill and John Gregg cut a deal with one of

them opting for the Senate race, Indiana Democrats have no challenger lined up for U.S. Sen. Dan Coats, who has yet to announce whether he will seek reelection. “Probably before the first pitch is thrown in [the] baseball season, I will announce a decision,” Coats told IndyPolitics. “I’m still weighing a number of factors [and] haven’t made a full decision yet.”

Asked if there was any truth to the “rumors” in The Cheat Sheet that he was in talks with Supt. Glenda Ritz about running with him as lieutenant governor, Hill responded, “Not a bit.”

Two weeks ago, The Cheat Sheet rumor mill was spinning the story that Supt. Glenda Ritz was preparing a gubernatorial campaign. But Ritz Communication Director Dave Galvin told HPI that while Ritz had been saying “never say never,” when that question came up, she was moving forward with a reelection bid.

This week, the rumor mill had it that former congressman Baron Hill was attempting to form a ticket with Supt. Ritz, though no sources were cited.

Again, Galvin said that the Ritz campaign was not in contact with Hill, that an LG offer was not discussed, and that she continues to

move forward with a reelection bid.

Chairman Zody told HPI, “I don’t know if anyone will announce until after the legislative session.” Zody said that state law prohibits gubernatorial candidates from raising money during the General Assembly session.

DNC releases 2014 ‘autopsy’

In 2013, the Republican National Committee issued a 100-page “autopsy” of the presidential race gone awry the prior year, with the Growth and Opportunity Project setting in motion a number of changes heading into the 2016 cycle.

Now national Democrats have done the same in preliminary fashion, though the “Democratic Victory Task Force” report is only nine pages and focuses on regaining legislative seats through a rebranding effort.

The report notes, “We have suffered devastating losses at all levels of government since 2008 including 69 House seats, 13 Senate seats, 910 state legislative seats, 30 state legislative chambers and 11 governorships.

In Indiana, the losses have been even more daunting. Since 2008, the Indiana House has gone from 52-48 Democratic to 71-29 Republican. In the Senate, the Democrats have lost seven seats and face a 40-10 GOP super majority. In the Congressional delegation, the Democratic edge in the House has gone from 5-4 to 7-2 Republican. Democrats control just one of the five constitutional

Statehouse offices. And as HPI has reported, the party has lost almost all of its Southern Indiana legislative and Congressional seats. There are only one state senator and two House members south of Bloomington, and no Congressional seats.

The Democratic report states several goals: “Having a clear, values-based narrative that unites us as Democrats and engages and appeals to the broadest swath possible of the American electorate. Creating strong accountable partnerships with active Democrats and all those who share our values in all 57 states and territories and Democrats Abroad. Proactively protecting and expanding every American’s right to vote. Building a three-election strategy for redistricting at the state and federal level. And identifying and promoting the next generation of Democratic leaders, including citizen activists from a cross-section of backgrounds and walks of life.



Former Democratic congressman Baron Hill told HPI he is nearing a final decision on a 2016 gubernatorial bid. He is shown here campaigning in Bloomington in 2010. (HPI Photo by Brian A. Howey)

"Over the next three months, the Task Force will continue to meet on a regular basis and it will commission additional research in each of these areas and develop action plans with the goal of having several pilot programs in place for the 2015 elections," the report said.

"We are Democrats because we believe in an economy where hard work is rewarded, and because we are focused on building a stronger and more secure middle class," DNC Chairwoman Debbie Wasserman Schultz said of the report.

Indiana Democratic Chairman John Zody said that the full report will be issued this summer. "It's a good start," Zody said. "It's talking about a lot of things we've been talking about as a party. I think it's important. It's looking at how we can partner with the national organizations and the Democratic National Committee on things like infrastructure. What are we doing for the long term? It's time to look at long-term investments."

The report explained, "No area of this review caused more debate or solicited more ideas than the belief that there is no single narrative that unites all of our work and the issues that we care about as a community of Democrats. It is strongly believed that the Democratic Party is loosely understood as a long list of policy statements and not as people with a common set of core values (fairness, equality, opportunity). This lack of cohesive narrative impedes the party's ability to develop and maintain a lifelong dialogue and partnership with voters. The Task Force recommends creating a National Narrative Project to work with party leaders, activists, and messaging and narrative experts to create a strong values-based national narrative that will engage, inspire and motivate voters to identify with and support Democrats."

The report talked of "strengthen partnerships with state parties." It explains, "The DNC must recommit to efforts to strengthen all state parties to ensure wins at local, state and federal level across election cycles. The Task Force recommends working with state parties to build partnership agreements that include training, evaluation, metrics, and incentives and that are focused on ensuring that every state party is on a pathway to self-sustainability." It said that it would be "dedicated to professionalizing state parties."

It also called for Democrats to take a stance on voter access and rights. "One of the more important sections is the right to vote, whether we are expanding it or diminishing it," Zody said. "That's important for Democrats to focus on. It's happening in the legislature right now, the limiting of voter rights."

The greatest challenge facing Indiana Democrats is rebuilding its legislative power. The report observes, "The current GOP stranglehold on state houses, governorships and congressional seats is a by-product of more than 30 years of organizing, fostering talent and significant financial investments at the state and local level. The DNC must develop, and accelerate, programs at the state and local level to ensure that the next redistricting and

reapportionment projects encourage Democratic growth. This long-term effort must be aggressive and focused on winning elections at the state and local level. It must also support efforts to take back the House of Representatives."

After Gov. Mitch Daniels failed to restore a Republican House majority in 2008 despite his 58% reelection victory, Indiana Republicans focused on the 2010 elections that included a candidate recruitment strategy and funding. That November, House Republicans forged a 60-40 majority that put them in the driver's seat for the 2011 reapportionment process. The new maps allowed the party to expand its majority to 69 seats in 2012 and 71 seats in 2014.

The Republicans' 2013 Growth and Opportunity Project resulted in the GOP compacting its presidential primary schedule, limiting the number of debates, and moving up its convention to mid-summer to allow its nominee to access federal campaign funds. RNC Chairman Reince Priebus told Indiana Republicans at their convention last year, "This idea of us slicing and dicing each other apart for six months for an Iowa caucus that doesn't award a single delegate is insane. So here's what we're doing. We're going to have about a 60- to 70-day primary system. We're going to take our convention which was at the end of August and we're going to move it to the end of June or mid-July."

Presidential

Jeb going to CPAC

The last time Jeb Bush spoke at the Conservative Political Action Conference, he delivered blunt talk — an unwelcome lecture, in the view of many — about the problems with the Republican Party (Costa, Washington Post). "All too often we're associated with being 'anti' everything," Bush said in 2013. "Way too many people believe Republicans are anti-immigrant, anti-woman, anti-science, anti-gay, anti-worker, and the list goes on." Bush will return to the conservative gathering on Friday as one of his party's leading presidential candidates — but one who still needs to find the right way to connect with the conservative activists who have not joined establishment donors in an early rush to back him. At CPAC, conservatives will be looking for Bush to ease their concerns about his stances on education, immigration and taxes. They will want to be reassured that he won't be like his father or brother, whose presidencies disappointed them.

Kellyanne Conway, a Republican pollster who is helping to oversee the straw poll, said she expected Bush to finish behind candidates like Cruz, who has also been encouraging his backers to attend the conference, or Paul (Politico). Even so, she argued, a middle-of-the-pack performance wouldn't necessarily represent a defeat. Bush would be taken seriously by the crowd, which would see him as a formidable "presidential candidate in a year when they want to win." ❖

Expert card counter could have predicted session at crossover

By **MATTHEW BUTLER**

INDIANAPOLIS — The hand dealt during the first half of this budgetary session fell in line with the probability an expert card counter might have predicted.

Based on what we knew going into the first week in January, observers around the table should not be surprised how most major items have played themselves so far to the crossover point. We knew by then the school funding formula, governance of the State of Board of Education (SBOE), Sunday sales, casinos, religious liberty, community corrections, non-partisan redistricting, and House ethics changes would be addressed.

The details of reforms to alcohol sales and gaming were seen as extremely touchy (and, perhaps, iffy); as it panned out, only the latter made enough traction to get out of one chamber.

The wild cards, once revealed, fell into partisan fault lines long since drawn in the Hoosier political landscape. The first was the flurry of actions, both executive and legislative, to shorten the ISTEP. After all, this was billed as “an education session.” Though emergency actions at the behest of the governor to shorten the examination in time for the spring testing window passed both chambers almost unanimously, accusations and counter recriminations over who was at fault for what had become a 12-hour test became part of the wider political disagreement between Superintendent Glenda Ritz and the Pence administration.

The former argued dropping out of Common Core and developing “uncommonly high standards” resulted in a more rigorous and thus lengthy assessment. The latter contended this was just the latest episode of dysfunction between the Department of Education and the SBOE and thus yet further evidence of the need to reform that panel’s governance, i.e., who sits as its chairperson.

As the governor requested in early December, both chambers advanced legislation allowing the SBOE to elect its own chair. HPI correctly predicted teachers unions and public school advocates would come out in force to voice their displeasure and air support for Ritz at the Statehouse. What remains uncertain is if they can replicate

another rally like Feb. 16 for the second half of the session and, more importantly, whether Democrats can harness this grassroots disaffection for 2016. Already a major local school board in bellwether Vigo County has passed a resolution in support of Ritz. Will others?

Shortening the state’s school accountability metric by 25% sounds considerable at first but after all of the press conferences and out-of-state hired experts, reducing a 12-hour test to nine hours seems anticlimactic. However, the legislature will make weightier decisions in regard ISTEP’s long-term future this session, as it considers whether voucher schools should be exempt and if the state will continue to use a bespoke examination. Off-the-shelf standards for Hoosiers in the form of Common Core proved unpalatable and were (somewhat) rejected last year. Exams, however, are another thing, especially when tests by Hoosiers for Hoosiers cost more than the off-the-shelf variety.

No school funding conclusions now

The school funding formula is such an integral component of the wider budget that it would be prudent to withhold any definitive conclusions, but HB 1001 included features that, as promised, raised foundation tuition support for all schools but also reduced the disparity between those receiving the highest amount of dollars (urban schools) and those receiving the lowest (growing suburban schools). How this will impact rural schools, a key constituency of the supermajority, will be important the next election cycle. It’s also worth noting everyone predicted the House would budget more money than Gov. Pence requested toward these ends.

Republicans in both chambers are also moving efforts they say will put more dollars directly in the classroom and reward good teachers. The House has its teacher tax credit and passed a “freedom to teach” bill which allows schools to allocate more of their funding toward classrooms and teacher salaries. In the Senate, reforms passed that included much-needed cumulative merit pay for teachers. Teachers should not have to start at square one every year when it comes to recognizing their performance and should most definitely not have to compete in a zero-sum fashion with their colleagues for bonuses.

These educator-focused reforms will hopefully buoy sinking teacher morale in the state, but with the aforementioned political strife and extreme complexity (and number) of education changes this legislative session, that might prove difficult. Uncertainty and flux have characterized Indiana education policy since 2009. And so far 2015 is adding to that topsy-turvy stretch.

Common wage wildcard

The second wild card before the crossover point, like shortening ISTEP, also struck abruptly and moved quickly. It was the repeal of the common construction wage. House Republicans in a relatively short order (less



than 10 days) heard in committee, advanced, and passed such legislation. It builds on their right-to-work reforms from two General Assemblies ago and is seen by unions (and Democrats) as a political attack. House Republicans counter they have long considered such a reform.

The recently strengthened super majority in the House passed the wage repeal on a somewhat slim margin of 55-41. A coauthor of the bill (HB 1019), Speaker Brian Bosma's rarely exercised vote is included in that 55 total. Thirteen Republicans joined 28 Democrats in opposing the measure.

As for its future, a sympathetic Senate President Long looks like he will assign HB 1019 to a friendly committee. Traditionally, one would expect the measure to head to the Senate Pensions and Labor Committee. Its chairman, Sen. Phil Boots, has indicated he would like to pump the brakes on such a move and possibly send the wage matter to a summer study committee. Speaking Wednesday, Sen. David Long stressed that was Boots' individual preference and it was far from a certainty even if his committee heard the bill. But even that might not happen. Long mentioned twice he felt Sen. Brandt Hershman's Tax and Fiscal Policy Committee would be a good fit.

Both Bosma and Long are touting repeal of the common wage as a boon for local governments and school districts because their project dollars will go further. It's been said the artificially set wage is highly variable between comparable projects and puts a 20% premium on public projects on average.

Cash-strapped local governments

In the post-2009 property tax cap landscape, cash-strapped local governments are a reality state lawmakers must perennially consider and, like last year, it's continuing to hold off items like ambitious tax cut reforms. Over the summer Chairman Hershman's business and local taxation study committee explored chipping away at the business personal property tax (BBPT). Last year he spearheaded with the governor's strong backing the effort to repeal it but settled with a local option since there was no way (or stomach) to replace the roughly \$1 billion in revenue it generates for local governments. However, a targeted BPPT repeal has advanced this session within SB 436; it exempts small businesses filing for equipment under \$20,000 per year. The compliance and collection costs are said to be roughly the same as the total revenue

collected, a wash in other words.

If the Senate is willing to move yet further local tax cuts, perhaps it will be willing to consider tax assistance packages coming over from the House. Kokomo Republican Rep. Mike Karickhoff's HB 1476 would provide counties an optional property tax replacement fee. It would allow them to collect as much as \$200 on properties whose layered deductions result in a zero net assessment. And, back for another try, Rep. Alan Morrison, R-Terre Haute, has secured passage of HB 1044, which provides the town of Rockville the authority to consider a local option food and beverage tax. Whereas local option tax cuts have found Chairman Hershman's favor, local option tax increases have not.

Liquor and casinos

After dealing readers the wildcard metaphor, one would be remiss not to comment on liquor and casinos. Public Policy Committee Chairman Tom Dermody, R-LaPorte, withdrew his Sunday alcohol sales bill HB 1624

Tuesday just before the deadline on third reading. It killed his legislation and, effectively, any reform effort this session. It was an historic occasion when the bill passed committee but by then it bore little resemblance to the original language that drug and grocery stores were so excited about. Dermody inserted sweeping amendments that required retail stores to strictly localize their alcohol displays and place hard liquor behind the counter. Sunday sales advocates were nearly apoplectic.

If enough lawmakers are not willing to legalize Sunday sales without making every merchant operate like package stores and the remainder see that reform as a non-starter, then this issue might remain as intractable as it's always been, and a potential 2016 populist campaign issue for an enterprising candidate (or party). One can safely wager, however, Rep. Dermody will not be on the Indiana Retail Council's Christmas card list.

In regard to casino reforms, Rep. Dermody had better luck with the dice. "This is the bill we've been talking about since last summer," he told the House chamber Wednesday. "The only thing we can be certain of, if we do nothing, things will continue to decline." A strong bipartisan majority agreed, passing the measure 75-18. Among HB 1540's major elements, it allows "riverboats" to move gaming operations onto their inland footprint; it extends the free play deduction until 2018 and includes tax cred-



its for building new facilities and amenities; and, perhaps most controversial, it would allow the racing casinos in Anderson and Shelbyville to replace up to half their video poker tables with live dealers.

Some lawmakers and Gov. Pence have voiced opposition to any gaming "expansion." That term can probably be interpreted pretty broadly. Dermody sought to rebut such opposition Wednesday, asserting, "This is a common sense move that is not an expansion." If lawmakers are relatively agreed that riverboats are an antiquated requirement that serves almost no discernible public policy function, then preventing actual working Hoosiers from replacing video poker terminals (in a 1-to-2 ratio) should probably not be construed as some drastic expansionary

overhaul.

If HB 1540 gets traction in the Senate, a potential veto will be on everyone's mind. It's a weak veto, however. Local economic interests and concern over sinking gaming revenues for the state might gird lawmakers to consider an override as they finalize the legislation.

Reflecting on the first half of the session yesterday, Speaker Bosma said, "In short we kept our promises and then we did more." That fairly encapsulates how matters have played out. Things were largely predictable. After the first weeks, the common construction wage and ISTEP shortening issue were wildcards that 'hit' everyone's existing hands. It's uncertain if they'll be important trump cards in the long game. ❖

Common wage repeal a national trend

By MAUREEN HAYDEN
CNHI Statehouse Bureau

INDIANAPOLIS – Republican leaders are pushing hard on an effort to repeal the state's 80-year-old law that sets workers' wages on government projects, with a promise from Gov. Mike Pence that he'll sign the bill should it pass the General Assembly. Driven by a concerted effort from GOP leaders, the House quickly voted this week to place Indiana among a wave of states moving to abandon their prevailing wages.

Known here as the common construction wage, the law almost guarantees union-level pay on billions of dollars worth of public projects. Rates are locally set by employer, labor and elected representatives. They vary by community, and can range from \$12 an hour for an unskilled painter to \$45 for a skilled elevator installer.

Supporters of the labor-friendly law say it deters out-of-state companies from undercutting local bidders on projects with cheaper, less-skilled labor. Critics say it artificially inflates wages and the costs of already expensive government projects. The Republican effort to fast-track a repeal of the prevailing wage is catching some off guard, inside and outside the Statehouse.



Senate President Long said he will make sure the common wage bill gets a hearing. (HPI Photo by Mark Curry)

"This has all come on so fast," said Dan Zuerner, vice president of Terre Haute-based Garmond Construction, which handles some of the largest government construction work in western Indiana. Rolling back the law, he said, "would be a far more complicated issue than anyone realizes."

Zuerner's not alone in his surprise. In late January, Republican committee chairmen who serve as gatekeepers for labor bills at the Statehouse were convinced that the contentious issue was headed for a months-long study this summer, postponing action for at least another year.

"I didn't know it was going to get legs," said Sen. Phil Boots, R-Crawfordsville, chairman of the Senate Pensions and Labor Committee, adding that he was "very surprised" that GOP House leaders pushed the bill through. "But things change around here," he said. This week Boots

again called for the measure to be sent to a study committee. However, he could be removed from the process should Republican Senate leaders break from protocol and assign the bill to a different committee.

Senate President David Long suggested that may happen. "It's coming over to the Senate, and we'll hear it," Long said.

The national movement to undo prevailing wage comes amid strong Republican gains in statehouses and continuing decline in union strength across the United States. "Once upon a time the 'third rail' of Indiana politics (was) the repeal of the common construction wage," said House Minority Leader Scott Pelath.

While Indiana's law has been tweaked through the years, including an increase in the threshold for

projects where it applies, efforts to kill it completely have been largely dormant since 1995. That's when thousands of union workers filled streets around the Statehouse to protest legislation to eliminate the law.

Then Indiana was still considered a union-heavy state and more than one in four workers belonged to a labor union. Now just one of eight does.

In recent months, 11 of 32 states with prevailing wage laws have seen legislation to repeal measures that have been on the books for decades. Republicans who took control of the West Virginia Legislature last November made it one of their top priorities. That effort was quashed last week when thousands of union supporters gathered on the Statehouse steps to protest.

Michigan lawmakers are debating a similar repeal, although the Republican governor has threatened a veto, saying it could open the door for out-of-state, unskilled labor to be used on the infrastructure projects. Not so in Indiana, where Pence last week said he'd sign the repeal if it passes the General Assembly.

Both supporters and opponents of such measures say states have become the prevailing wage battleground since efforts to kill a prevailing wage on federal projects, mandated by the Davis-Bacon Act in 1931, appear futile.

"There are always bills introduced (in Congress) to end Davis-Bacon, but they go nowhere," said Tom Owen, a spokesman for the national AFL-CIO's Building and Construction Trades Department. There's still enough Republican support in the U.S. House of Representatives for the federal wage law, he said.

Glenn Spencer, executive director of the Workforce Freedom Initiative at the U.S. Chamber of Commerce, which backs efforts to repeal prevailing wages, credits expanded Republican majorities in statehouses in the 2014 elections with fueling the effort locally.

Republicans now control 67 of the 98 partisan legislative chambers, up from 59. That gives the GOP total control of 24 states, including Indiana, in which they hold the governor's mansion and both houses of the legislature. In 16 statehouses including Indiana's, Republicans have super-majority control.

"This is the time when you've got legislatures and governors who now see an opportunity to take it on and make some actual progress on the issue," Spencer said.

As they do it, they're getting backing from pro-business groups. The conservative Americans for Prosper-

ity, a free-market advocacy group funded by the billionaire Koch brothers, launched a radio campaign in Indiana before the House vote.

The ad, featuring two mothers complaining about the cost of school construction projects, now covered by the prevailing wage, is the start of what the group calls "a robust conversation on how to make sure we are getting the most out of our tax dollars."

Political scientist Andy Downs, of the Mike Downs Center for Indiana Politics at Indiana University-Purdue University Fort Wayne, said that "tax savings" message is repeated across the multi-state effort. It resonates with voters concerned about the cost of public projects, and it diverts talk of it being the anti-labor measure that unions fear it is.

"You don't have to be a rocket scientist to figure out what message works," Downs said. "You just pick up a few key phrases and go with that."

But that simple message avoids nuances that contractors worry about, including the fate of apprenticeship programs developed as a result of prevailing wage laws, and fears that skilled construction workers will leave the state for better paying jobs. "There's a lot of storytelling going on, but not much truth," said Jon Huston, a Kokomo electric contractor who opposes the repeal of the prevailing wage. ❖

Long not excited about Indy Eleven

The Indiana House on Wednesday passed the Indy Eleven stadium bill, which moves to the Senate — apparently with a lukewarm reception from the chamber's leader (Cook, *IndyStar*). By a vote of 74-21, lawmakers passed a financing structure for the \$82 million, 18,500-seat stadium. It would be paid for with taxes generated by the facility and a hotel being developed by team owner Ersal Ozdemir. At a news conference before the House vote, Senate President Pro Tempore David Long, R-Fort Wayne, said there are other priorities before the soccer stadium. "I don't get too excited over it, but at the same time, I haven't delved into it too deeply this year," Long said of the stadium. "We're really focused on funding our priorities. Those have to come first. If the soccer stadium makes fiscal sense, we'll certainly consider it. ... That's an additional issue that might have to wait ... and even then, I don't know where it would go." The team pushed a stadium bill last year — before the team had played a single



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game — but it stalled in the Senate. House Speaker Brian Bosma, R-Indianapolis, did not vote on the bill. He disclosed after Wednesday's vote that he had done legal work for the Indy Eleven and has remained neutral. That work involved trademarks and contract negotiations. "I don't have an (ownership) interest in it," Bosma said. "Honestly, I'm just trying to set the example for others and felt it was appropriate for me to file a letter (with the House ethics committee) and be excused."

Land-based casinos approved

An effort for Tropicana Evansville and the state's other casinos to move onto land easily cleared the Indiana House on Wednesday (Schneider, Evansville Courier & Press). The House voted, 75-18, to pass the bill over to the Indiana Senate. The proposal allows riverboats to shed their docks and move onto land within the existing footprint of their facilities. All members of the Southwestern Indiana delegation in the House voted in favor of the bill



that aims to help Indiana's gambling industry compete with surrounding states. Earlier in the week, House members removed tax changes from the proposal that could have lowered revenue for communities where casinos

are located. The bill's author, state Rep. Tom Dermody, a LaPorte Republican, asked House members to vote for the proposal, especially as riverboats age and begin to be in need of repair or replacement. He said land-based casinos are a relocation of gambling, not an expansion. "The cat is out of the bag. Let's allow them to move onto land," Dermody said. Tropicana General Manager Jason Gregorc, who was at the Indiana Statehouse for Wednesday's vote, said the House's action was encouraging because the top priority for the casino is to move onto land. "The bill is moving, so we're happy for that," he said. Senate President Pro Tem David Long confirmed on Wednesday the gambling bill will receive a hearing. "I've said in the past I think we have to figure out what is and what is not an expansion of gaming ... and then see what we can do to help these institutions survive in a day of increased competition," Long said.

Live dealers pass for racinos

The Indiana House has overwhelmingly backed legislation that allows live dealers at racetrack casinos (Osowski, Anderson Herald-Bulletin). On the final day for House bills to receive approval, House Bill 1540 passed by a 75-18 vote and now moves to the Senate. If passed, the bill would allow live dealers at Indiana's racinos in Anderson and Shelbyville. Games at those sites are now controlled by computers. In addition, the legislation would allow Indiana's riverboat casinos to move gaming on land, have incentives for capital improvements and extend free

play credits. The bill's author, state Rep. Tom Dermody, R-LaPorte, said it was time for the General Assembly to do something to help the struggling casino industry. New casinos in Ohio and Michigan, in addition to gaming terminals in Illinois, have damaged Indiana's gaming revenue and forced casinos to cut jobs. Dermody and many other lawmakers hope that the proposed changes will help the industry get back on its feet. "We've seen revenues continue to decline," Dermody said. "And if we do nothing, the industry will keep declining." Language involving live dealers was removed during discussion on Tuesday before an amendment added it back in. Dermody said he was glad that language was kept in the bill. As the bill is written, racinos would be able to change half of their electronic tables into live dealer tables. Hoosier Park Racing & Casino in Anderson has 19 table games and would be allowed to swap out nine of the computers for human dealers. The limitation was added to try and dispel fears that the state was expanding gaming. "I don't think it's an expansion of gaming," Dermody said. "I think this is a common sense approach." The table restriction will remain in place for two years. After that, the racinos can petition the Indiana Gaming Commission for permission to add additional tables, which is standard procedure.

Senate raises micro brewery limits

The Indiana Senate passed a bill Tuesday that would allow Indiana microbreweries to manufacture more alcohol per year (Smith, Indiana Public Media). Sen. Ron Alting, R-Lafayette, says the amended legislation is the result of a compromise between alcohol wholesalers and microbreweries. The bill allows small breweries to increase their annual production limit from 30,000 barrels per year to 90,000. The other half of the bill requires breweries distribute that alcohol through a wholesaler if their production exceeds 30,000 barrels. "Wholesalers guarantee it gets to you safe, it guarantees it's going to licensed people. That plays a very important role in the distribution of alcohol," Alting says. The bill passed 43-7. It now moves to the House.

Education funding applauded

The Indiana House has passed a budget that would increase funding for rural school districts, but one superintendent is not holding his breath (Elkhart Truth). Fairfield Community Schools Superintendent Steve Thalheimer said the budget, which would increase total state funding for Fairfield schools by 5 percent in 2016 and 4 percent in 2017, is welcome news. House Speaker Brian Bosma, R-Indianapolis, said the budget passed Tuesday increased education funding by \$469 million over the next two years — the largest investment in Indiana history. While Thalheimer said that's favorable for Fairfield, he's hesitant to get too excited as the budget moves to the Senate for further consideration. "Until everything is totally reconciled, we don't know," he said. ❖

Session leaving Joe Sixpack behind

By CRAIG DUNN

KOKOMO – As a service to my overworked and underappreciated wife, the other day I volunteered to go to the grocery store to pick up a few items. Normally, my wife and I go to the grocery together and I rarely have the opportunity to turn the visit into a learning experience. However, this visit to the grocery was eye opening.

My wife had requested that I pick up toilet tissue.



This is not an item that I would normally spend much time ruminating over, just grab it and toss it into the cart. The bigger and fluffier rolls the better! I can honestly say that I have never considered the price of a roll of toilet paper. I place it high on a list of necessities that render price irrelevant.

This trip down the aisle of paper products was different. Standing in the middle

of the aisle was a couple deep in conversation about the relative economy of several brands, quality and quantity. These folks looked like people who needed to make every penny count in their budget. I felt a little embarrassed that I don't have to labor over unit pricing or always look for a generic alternative. To these people trying to do the math in their heads, the simple purchasing choice of toilet paper was a well-thought-out, necessity-driven exercise.

I thought about these people all week. These folks appeared to be lower income working-class people who struggle weekly just to make their income and expenses balance out. The question that popped into my head was, "Exactly what is our Indiana Legislature doing to improve the daily lives of these people and thousands more just like them?"

Frequent readers of my column may remember that last year I called for a Joe Sixpack Impact Statement to be appended to each piece of legislation to be filed by a representative or state senator. To my shock and amazement, not one of the hundreds of pieces of legislation filed addressed this issue. One would think that when Rep. Foghorn and Sen. Schleptster are downing a steak at St. Elmo's with a friendly lobbyist for the Confined Hunting of Circus Animals Association that the subject of my suggested legislation might come up.

"You know, Sen. Schleptster, I'm thinking about taking that Dunn guy's suggestion and actually trying to determine if future bills I file will actually benefit the common working Hoosier." "Well, Foghorn, you know nothing benefits the working poor like a good ole soccer stadium!"

It seems to me that the men who crafted Indiana's

State Constitution were incredibly wise in limiting the number of days that each legislative session may last. It is my feeling that our state's founding fathers intuitively knew that the truly important work of the Indiana Legislature could be wrapped up rather quickly and then representatives and senators could return to their communities to pursue their careers as used horse salesmen.

My general observation of the Indiana Legislature, under both Democrat and Republican leadership, is that although there is always important and beneficial legislation filed and debated, there is an inordinate amount of pure Indiana variety horse pucky that demands the time and energy of our legislators.

I realize that lobbyists for the Arm our Kindergartners Society must earn their keep by inducing legislators to file legislation, but surely the majority of the energy, focus and effort of the Legislature should be to try and better the lives of the average Indiana citizen. No, I'm not talking about the average Indiana sports franchise owner! I'm talking about John Q. Public.

Since the Great Recession of 2008 and 2009, the average Hoosier has had significant need in obtaining quality employment, growth in wages and in getting their children to move out of the basement. If one was to judge the emphasis of the Legislature in addressing these needs based on the noise coming from the session, you would have to assume that the common Joe is getting the short end of the stick.

It is impossible to open a newspaper, turn on the news or take a look at social media and to not come away with the feeling that the priorities of the Indiana Legislature might be somewhat askew. Based on public noise only, one would think that putting Glenda Ritz in her place, selling booze on Sunday, cutting construction wages and continuing the HJR3 fight on a different battlefield was the only work being done by our 150 elected representatives. Whether this is because of lack of self-control or just the optics created by a media hostile to Gov. Pence and the Republican-dominated Legislature is yours to call.

Once again this year I suggest to each and every one of our Indiana state representatives and senators that they ask themselves this critical question before they file a piece of legislation or vote on a particular bill, "Will the lives of average Hoosiers be improved by the passage of this legislation?" If the answer is no, then save the paper and get to work for your constituents.

We are blessed as a state to have a wealth of well-meaning, intelligent people representing us in the Indiana Legislature. I believe this applies to both sides of the aisle. But for some reason, known only to some omnipotent legislative god, the dynamics of politics, partisanship, special interests and just plain old nuttiness combine in a way that sometimes leads the Legislature astray.

Gov. Mitch Daniels was famous for declaring that "Good policy is good politics." Truer words were never spoken. You can do the work of the people and still have time for that Scotch and a cigar at the Columbia Club.

Call me naïve but I'm guessing that the couple worrying about which toilet paper best fits in their budget could care less whether or not Indiana has an official fossil. They look to our state government to remove obstacles to their economic success and to help create an environment that will provide good-paying jobs for themselves

and their children. Any other focus by our Legislature is ill-timed and a waste of resources. ❖

Dunn is chairman of the Howard County Republican Party.



Revisiting the site of the 1st GOP convention

By **PETE SEAT**

JACKSON, Mich. – Republicans in Jackson, Michigan, are familiar with refurbishing projects. One of them is their claim to fame, Under the Oaks, the park that marks the site of the first Republican Party convention ever held on July 6, 1854. When I first visited the site in June 2013, a boulder shaded beneath a cluster of oak trees to commemorate the event was covered in graffiti, in desperate need of a facelift, a perfect metaphor for the national Republican Party.



Visiting Jackson was the idea of a friend. He suggested the city of 33,000 because of its place in Republican Party history books. When I made that initial trek up there it was nearly 103

years to the day after William Howard Taft became the first and only sitting president to swing through Jackson when he dedicated the plaque affixed to the boulder under the oaks. Locals didn't much care for discussing Taft's visit because the most lasting memory was a series of disparaging comments he made regarding the relatively unassuming historical marker.

A topic more interesting to them, however, was the future of the Republican Party. Many of those I spoke to a half-mile away at a monthly county Republican Party event had been involved for years, even decades, attending Saturday morning meetings to hear from elected officials and to share observations on the latest political news.

I thought about that trip this week as the Gaylord National Resort and Convention Center in Oxon Hill, Maryland, site of the 2015 Conservative Political Action Conference, occupies a weekend-long space as center of the political universe. As political junkies sit in rapt attention awaiting speeches from prospective presidential candidates aiming to gobble up enthusiastic supporters from around the country, I will be wondering not about how it's "playing in Peoria," but how it's playing in Jackson, Michigan.

CPAC, after all, is a non-Beltway event held inside the Beltway. And by that I mean conservatives from around the country, in the neighborhood of 10,000, attend every year to kick the tires of the top names in right-of-center punditry and policy before heading home to share their thoughts with friends and family. That powerful word-of-mouth echo chamber can sink a candidate or fuel a rising star in short order. In terms of the broader narrative, it can shape how the public views the Republican Party.

And that perception was an important point to the folks in Jackson. As they saw it, the party was well defined at the local and state levels. Nationally, however, it was defined by the flippant and ubiquitous mouthpieces littering political conversation. Without a plan, a driving force, an agenda full of ideas, they feared the party would remain rudderless moving into a consequential presidential election cycle.

They wanted someone to provide solutions to problems, answers to questions and hope to anxiety. Their biggest concern, however, was that the Republican Party is not the homogenous organization ridiculed by opponents, but a heterogeneous collage of competing interests, making it infinitely more difficult to define at the national level. A leadership vacuum foments discord among those disparate groups as they push and shove to the front of the line in the hopes of shaping the message.

To circumvent chaos, and to unify the team, Jackson Republicans naturally pointed to their governor, Rick Snyder, as an example of the right way to do it. He campaigned on a plan and, according to former county chair John Williams, stuck to that plan through thick and thin, even when other interests tried to lure him into proverbial rabbit holes. (Late last year it proved to do the trick when Snyder won reelection.)

And it was that success which led some, such as former state representative candidate Leland Prebble, to suggest a preferred solution to the problem of what the Republican Party stood for moving forward. Republicans needed to identify a candidate for president "now," he told me. While that wasn't an option in the summer of 2013, with CPAC providing an almost official start to the race for 2016, his wish may soon come true. ❖

Pete Seat is senior project manager at the Indianapolis-based Hathaway Strategies and author of the recently published book *The War on Millennials*.

Kissing postal service goodbye in South Bend

By JACK COLWELL

SOUTH BEND – Playing post office once referred to a silly kissing game that boys and girls played at parties. Now Congress is playing post office. And South Bend area residents can kiss next-day mail delivery goodbye.



Who says Congress does nothing?

Congress decrees that the U.S. Postal Service must make payments of \$5.5 billion a year to fund future health benefits 75 years in advance. This isn't based on sound projections, anything in the business world, or common sense.

Congress refuses to give the Postal Service flexibility to save money in other areas or to make money with some

of the expanded services it would like to offer. Congress demands at the same time a more "businesslike" operation with reduced deficits. Beleaguered postal officials seek to please Congress with cost cuts, even where cuts could be costly for the customers, the public.

One cut now brings closing of the Postal Service's processing and distribution center in downtown South Bend. That work is shifting to Fort Wayne. Closing a processing center perhaps will cut some cost. But it also cuts service in the South Bend area.

A letter mailed to an area address no longer will be delivered within 24 hours. It will take two days. Takes time for a tour of scenic Fort Wayne. Heck, it could take even longer than two days. We'll find out. Anti-postal members of Congress won't know or care.

Mail delivery won't be first class, even for letters still officially designated "first class."

In many cases, it won't make much difference. There's more reliance now on the Internet, on email for quick messaging. In fact, that's a major problem for the Postal Service. We just don't keep those cards and letters coming, with stamp

purchases providing more postal revenue.

But mail delay can be more than just an inconvenience. Many small businesses depend on mailings. And it's important for business reasons that the mail gets there on time. Back when cuts like this were first discussed, even corporate giant AT&T raised questions about all those billing statements it mails each month to customers, many of whom have no computers or email. Would delayed mail, coming and going, lead to delinquent payment woes?

Will delay inconvenience folks counting on Social Security or pension checks on a certain day?

It's no secret that some powerful members of Congress led by Rep. Darrell Issa, R-Calif., who has headed committees with Postal Service oversight, want to eliminate postal operations as we know them. He certainly wants to eliminate the postal unions, with which he has clashed politically. Doing in the post office would take care of the unions.

Issa has proposed such things as replacing door-to-door delivery with boxes at curbside or a cluster of boxes for a neighborhood, letting private firms take over more services now providing Postal Service revenue and allowing insertion of unstamped mail, newspapers and other materials in mailboxes.

That required annual prepayment of \$5.5 billion for supposed benefits 75 years out (or inclusion in Postal Service debt if not paid) manufactured a crisis.

Critics like Issa, seeking to "reform" the system out of existence, seem to regard the Post Office as a socialist scheme. Were the Founding Fathers really socialist schemers? They authorized Congress in the Constitution "to establish post offices and post roads."

The Post Office was regarded then and long after through America's history as bringing the nation together and guaranteeing delivery even in remote areas where cost of service always would be greater than any resulting revenue.

Proud history it is: "Neither snow nor rain nor heat nor gloom of night stays these couriers from the swift completion of their appointed rounds." Congress, however, can stay these couriers from swift mail delivery.

Oh, well, Congress playing post office isn't that bad. Not in comparison with Congress now playing games with Homeland Security in the age of ISIS. ❖

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



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GOP treads lightly with Region unions

By RICH JAMES

MERRILLVILLE – There is one thing that separates Northwest Indiana Republicans from their colleagues in the rest of the state. When it comes to issues dealing with unions in general, the area Republicans tread lightly. While Northwest Indiana Republicans usually don't win the endorsements of unions, they also don't want to anger the members of the myriad of unions that populate this corner of the state.



And the building and trade unions in Northwest Indiana rarely endorse a Republican over a Democrat, although it does happen.

Such was the case with former Republican Gov. Mitch Daniels and the International Union of Operating Engineers.

The Operating Engineers endorsed Daniels during each of his campaigns, largely because of his support for the construction of an interstate highway from Evansville to Indianapolis. The Operating Engineers also appreciated Daniels for his Major Moves program that was funded with the lease of the toll road.

Both the southern interstate and the highway projects funded through Major Moves were heavily dependent on the types of earth-moving equipment used by the Operating Engineers.

There was one somewhat amusing side note to that endorsement. When Daniels signed the right-to-work law that angered unions, the Operating Engineers were the first to file suit to overturn the law. It, of course, failed.

There was a time when Northwest Indiana Republicans wouldn't vote for legislation that angered unions.

While that has changed somewhat, the Republican legislators from Lake and Porter counties are careful about voting for legislation that is opposed by organized labor.

And that is particularly the case when it comes to paying union wages.

That was the situation some 25 years ago when a non-union firm, Hamstra Builders of Wheatfield, got the federal contract to build the Adam Benjamin Jr. Veterans Affairs Clinic in Crown Point. So angry were the trade unions, they charged the building site and knocked down a lengthy cement block wall in the midst of construction.

Benjamin, who won approval for the clinic and secured the money for construction, died prior to ground breaking. The members of his family stood across the street from the site and declined to take part in the dedication because it was built by a non-union firm.

And, finally, such was the case a week or so ago when it came to legislation to eliminate the prevailing wage law on large state and local construction projects. The bill, which is pending, is essentially a slap at unions and opens the door for non-union firms to get most of the contracts.

While most Republicans around the state support the measure, such is not the case with two Republican mayors of major Northwest Indiana cities. In addition to Democratic Gary Mayor Karen Freeman-Wilson opposing the bill, so too did Republican Mayors Jon Costas of Valparaiso and Jim Snyder of Portage.

Each of the three mayors said the current common construction wage law virtually guarantees that the wages paid to workers stay in the community. They added that



there is enough competition among union construction firms that contracts aren't inflated. ❖

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.

Tim Swarens, IndyStar: Well, over the past couple of days I've been perusing a batch of remarkable letters from a class of young scholars at Wilbur Wright Elementary in New Castle. The school's motto is, "Where Children Soar," and based on these letters, written as a class assignment and shipped via email to the State Board of Education and state legislators, there is truth in that advertising. Remarkably so. These children — 10- and 11-year-olds, mind you — have delved into the intricacies of Statehouse politics, the complexities of ISTEP testing and the injustice of holding teachers accountable for students' work, and arrived, unanimously, at this conclusion: Top vote-getter Glenda Ritz has been under unfair assault from "Dictator Pence." "Teachers shouldn't get paid by their students' grades on ISTEP," a fifth-grader named Keisha wrote as part of the class assignment. "I don't think it's fair because teachers work very hard to teach their kids all of the standards ... If a teacher teaches students who have learning disabilities, their students still have to take the ISTEP that determines their pay." Sixth-grader Dominic also is troubled that teachers are held accountable for student test scores. "I also do not think that because we don't do 'well' on the test that the teachers who spend all day dealing with us, don't get paid as well," he wrote. Karina, in the fifth grade, is concerned about a legislative proposal to allow the State Board of Education to elect its chair. "You are stripping Glenda Ritz of her power, and she was elected, she should be able to do her job," Karina wrote. "She was elected with over 1.3 million votes, so let her help and do what she is supposed to do." Zade was even more forceful: "Glenda Ritz should be the one who has the power to control what goes on in Indiana public schools, not the government. Government, let Glenda Ritz do her job. ... And government, why are you trying to overthrow Glenda while Tony Bennett was the real problem for Indiana public schools." Now a cynic might question how children so young became so well versed on Statehouse politics. How they all arrived at the same conclusions. How those conclusions just happen to line up with teachers union positions. And why the children's letters were emailed, by their teacher, to the State Board of Education and key lawmakers a few days ahead of high-stakes debates over controversial legislation to change the state superintendent's role and responsibilities. The teacher, Mary Jane Dye, assured the state officials to whom she sent the letters that her students "were not coached." They all simply arrived at the only logical position. By themselves. Without help. Remarkably. ❖



John Krull, Evansville Courier & Press: Democrat Glenda Ritz won a stunning upset victory over Supt. Tony Bennett in the 2012 election. Republicans since have reacted with all the fury of a psychotic jilted lover. They have gone through all the stages of unbalanced behavior

— rage, denial and now cold-blooded vindictiveness. At present, two GOP-sponsored measures that would limit voters' ability to express themselves in regard to education are working their way through the legislature. One would remove Ritz as chair of the Indiana Board of Education. Another would make her position appointed rather than elected. Arrogance drives power plays such as these, but so does insecurity. What this twin push to slap down both Ritz and the state's voters reveals is that Republicans and other education reformers lack confidence in the merits of their position. As if this whole drama weren't enough of a soap opera already, in recent weeks we've seen the reappearance of an old star, the actor who shattered the quiet and turned our discussions about education into a toxic mess: Tony Bennett. Bennett is back serving as a consultant for one of the "education reform" groups heavily invested, in all senses of the word, in maintaining charter schools and school vouchers, regardless of how effective or ineffective they might be. "Isn't there some isolated school system in South Dakota without phones or internet access that needs a superintendent right now? That's where Tony ought to be," an Indiana business leader who supports education reform grouched to me a few days ago. ❖

Mark Bennett, Terre Haute Tribune-Star: Will public officials in a small city really commit resources to help the big city land a manufacturing facility? Would public officials in a metropolitan county help fund a trail system in a scenic, adjacent small county, where many workers of that metro live? "It's not Utopian. It's where we're going to have to go," said David Terrell, director of economic development policy for the Ball State University Center for Business and Economic Research. This month, the Ball State center released a study emphasizing the need for "regional cities" policy making. That report — "Regional Cities, Small Towns and Rural Places: Policy Issues for Indiana" — points out a sobering reality. Despite the state's business friendly climate, only a dozen of the 92 counties experienced population growth greater than the national average during the past decade. Fifty counties are seeing population and incomes below the national norm. The other 30 feel a dubious trifecta, falling populations, wealth and earnings. A separate initiative, which also emphasizes regional cities, illuminates a problem right here in the Wabash Valley. In the decade ahead, the west-central Indiana region will experience flat economic growth, said Mark Lawrance, director of the IUPUI Public Policy Institute. That group launched a project in December, aimed at helping urban, suburban, medium-sized and rural communities share ideas to implement positive changes and fix similar problems. The "Thriving Communities, Thriving State" plan is now an Indiana Bicentennial Legacy Project. The Terre Haute region isn't doomed to flat economic growth. "That's a prediction, but it doesn't have to be the truth," Lawrance said last week. ❖

Senate passes 'clean' DHS bill

WASHINGTON - Congressional Republicans have been plagued in recent years by a fractious and politically harmful family feud. Wednesday provided fresh evidence that the party's sweeping November midterm wins have done little to alter that dynamic (Washington Post). House and Senate Republicans remained sharply at odds over how to fund the Department of Homeland Security while continuing to do battle with President Obama over immigration. With just two days left before funding authority for DHS runs out, there was great uncertainty about whether and how lawmakers can get a bill to Obama's desk in time to avoid a partial shuttering of the department. The Senate on Wednesday advanced a measure that would fund the agency through September and forestall any kind of shutdown. But that proposal, crafted by Senate Majority Leader Mitch McConnell (R-Ky.), could face stiff GOP resistance in the House, where Speaker John A. Boehner (R-Ohio) has not been willing to say whether he would bring the bill to a vote. The debate has inflamed tensions between House and Senate Republican leaders, who are struggling to govern in the early days of their unified congressional majority. Rank-and-file GOP members have also lobbed barbs at the other chamber. On a 98-to-2 vote, the Senate's DHS bill cleared a key procedural hurdle that could set up a final vote as soon as Thursday. It would fund DHS through the end of the fiscal year, and it would not affect Obama's executive actions on immigration. But Boehner repeatedly declined to say Wednesday whether he would take up the Senate's "clean" bill. He pointed out that the House has already passed its own measure, which would fund DHS but block money for Obama's immigration actions. Senate Democrats have pre-



vented that bill from advancing four times. "Until the Senate does something, we're in a wait-and-see mode," Boehner told reporters after leaving a meeting with rank-and-file Republicans.

Painkillers induce HIV outbreak

INDIANAPOLIS — State health officials say a fast-spreading outbreak of HIV cases has hit southeastern Indiana and is tied largely to drug abuse involving a powerful painkiller (Associated Press). The State Department of Health said Wednesday that 26 people have tested positive for the virus that causes AIDS since mid-December and another four have preliminary HIV-positive status. Health Commissioner Jerome Adams says most of the cases are linked to people injecting the prescription painkiller Opana, while a small number are tied to sexual transmission of the HIV virus. Adams says disease specialists are interviewing those infected about their needle-sharing habits and sexual partners. Health officials also are working "to identify, contact and test individuals who may have been exposed."

ISIS executioner identified

LONDON — The identity of the masked executioner clutching a knife in ISIS beheading propaganda videos was revealed on Thursday. A U.S. intelligence official confirmed to NBC News that a Londoner named Mohammed Emwazi is the person known as "Jihadi John" in the ISIS videos. The militant's identity was first reported by The Washington Post, which cited "friends and others with familiar with his case." The BBC also named the individual without citing sources. Emwazi is a Briton born in Kuwait who is known to intelligence services, according to the BBC and

the Washington Post. The Washington Post reported that Emwazi grew up in West London and graduated from college with a degree in computer programming before traveling to Syria in 2012 and joining ISIS. The Metropolitan Police said it would not confirm the reports and British government officials declined to comment. "Jihadi John" appeared in the videos showing the execution of American hostages James Foley and Steven Sotloff and Britons Alan Henning and David Haines.

Obama presses GOP on DHS

MIAMI — President Obama called on congressional Republicans on Wednesday to renew financing for the Department of Homeland Security and promised to veto any measure that tried to gut his executive actions on immigration (New York Times). "Instead of trying to hold hostage funding for the Department of Homeland Security, which is so important for our national security, fund that, and let's get on with actually passing comprehensive immigration reform," Mr. Obama told about 270 people at a town-hall-style meeting at Florida International University. He was referring to Republican efforts to block his immigration plans while still financing most of the department. Their idea is to prevent any money, whether through the appropriations process or through fees collected from immigration applications, from being used for any of the president's existing or future executive actions on immigration. Homeland Security financing will expire on Friday unless Congress passes, and Mr. Obama signs, a bill to continue providing it. If Senator Mitch McConnell of Kentucky, the majority leader, and the House speaker, John A. Boehner of Ohio, "want to have a vote on whether what I'm doing is legal or not, they can have that vote," Mr. Obama said. "I will veto that vote."