



Pence timeline: Legislature, then 2016



Governor planning reelection, but will weigh all options next May

By **BRIAN A. HOWEY**

MADISON, Ind. – The \$1 billion question on the minds of Hoosier pundits and voters is whether Gov. Mike Pence will seek a presidential nomination in 2016.

The answer, my friends, won't be blowin' in the wind until after the Indiana General Assembly sine die next



Gov. Pence at a forum at the Aurora City Hall before taking a selfie with a constituent. (HPI Photo by Brian A. Howey)

April 30. Senior Pence political advisers tell HPI that will be the point when Pence sits down with his family and inner circle and surveys the political landscape both in Indiana and the U.S.

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Delegation & leadership

By **BRIAN A. HOWEY**

WASHINGTON – The two Democrats in the Indiana congressional delegation sounded what could be perceived as alarm.

U.S. Rep. André Carson characterized members of Congress as a collection of “narcissists,” a charge sometimes leveled at journalists. A few minutes later, delegation dean U.S. Rep. Pete Visclosky talked of the new routine of funding the government. “Continuing resolutions are a sign of failure,” Visclosky resolutely stated.

These observations, made at a recent Indiana Chamber Fly-In event at the U.S. Capitol Visitor Center that included both



“Here’s the issue. Our elections here in Indiana need to be better, and they need to work better for the people of Indiana.”

- Beth White, Democratic secretary of state nominee



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senators and the seven Republican House members, are indicative of the problems facing the U.S. government.

The national debt is \$17.772 trillion, coming to \$55,716 per citizen and \$152,275 per taxpayer. The federal budget deficit stands at \$549.7 billion, down from trillion-dollar levels at the end of the Bush43 presidency and the first few years of Barack Obama's. But as the Baby Boomers retire and grow old, that number is projected to escalate dramatically.

Total personal debt stands at \$16.65 trillion, student loan debt is at \$1.299 trillion, while credit card debt is at \$891 billion. Personal debt per citizen stands at \$52,195. The median income stands at \$28,490 in 2014, compared to \$28,666 in 2000. The workforce in 2000 was 153.8 million, compared to 146.5 million today.

While congressional approval in 2012 stood at a historically low 10%, Politico reported that 90% of the members were reelected. Since 1964, it's never dipped below 82% in the House, and only during the Reagan landslide of 1980 has it gone below 60% in the Senate. The average House incumbent raises \$1,606,177, according to Open Secrets, while the average challenger raises \$268,107. In the Senate, an incumbent raises \$11,847,274, compared to \$1.38 million for a challenger.

Perhaps the most chilling factoid produced by all of this is a recent Reuters poll that revealed that a quarter of U.S. voters are open to the notion of their state seceding from the Union, one that our great-great grandfathers spilled a reservoir of blood to preserve.

U.S. Rep. Luke Messer observed that more than half of the members have entered the two chambers in the last five years. Leadership, however, is mostly unchanged. The most conspicuous was the primary upset defeat of House Majority Leader Eric Cantor last spring. "We need to make sure those newer members have a voice," Messer said. "I have seen a model that works in Indiana. Indiana has proven over the last decade that we can take conservative principles and come up with real-world solutions."

In Washington, "We're falling short of that," he acknowledged.

By contrast, three of the four Indiana House and Senate caucus leaders have changed since 2006, some multiple times. Senate President Robert Garton was defeated in a 2006 Republican primary, resulting in the ascension of current President David Long. Senate minority leaders Richard Young stepped down from leadership, Vi Simpson opted to run on the 2012 gubernatorial ticket, and House Democrats jettisoned B. Patrick Bauer in 2012, installing Rep. Linda Lawson as a transitional figure, before opting for current Minority Leader Scott Pelath.

In an institution my former colleague Harrison Ullmann used to refer to as "America's worst legislature," the changes have come and Hoosiers lawmakers legitimately balance budgets, change tax codes, and fund a decade of major highway projects, and web stream committee and chamber sessions. Indiana has huge problems ahead, from methamphetamine, an unhealthy population and

declining per-capita income, but there has been progress.

My colleague Matt Butler and I have sat down with all but three congressional members over the past six months, and the other three are in the works.

My take on Hoosier members is, as a group, they are earnest, ambitious, oriented toward constituent service and they like people. Some, like Visclosky, do think long-term, as he has demonstrated with his Marquette Project that has opened the Lake Michigan shoreline to the people.

In a delegation where we've seen close to a century of leadership lost in the past couple of elections due to the defeat or retirements of Dick Lugar, Dan Burton, Evan Bayh and Mike Pence's move to the governorship, there has been a quickened recovery in stature. U.S. Reps. Marlin Stutzman, Todd Rokita, Todd Young and Luke Messer all sit on key financial committees, U.S. Rep. Jackie Walorski and Sen. Joe Donnelly have become active on military affairs after 13 years of war, and U.S. Rep. Susan Brooks is seen as a rising star when it comes to national security. It was fascinating to watch U.S. Rep. Larry Bucshon join forces with House Ways & Means Chairman Tim Brown to tour the state to study the myriad of health issues we face.

Only Walorski faces a credible reelection challenge

and a defeat in this cycle would be surprising.

All of our members express deep concern about the nation's immediate and long-term future. The inability of Congress to get beyond its gridlock has prompted Hoosier legislators to seek alternative routes, whether it's State Sen. Mike Delph's forays into immigration laws or David Long's effort to forge an Article V constitutional convention with the goal of a federal balanced budget amendment. Gov. Pence's national calling card is that solutions must come from state capitols, and not Congress.

Throughout these hours of talks with the delegation, the elephant or donkey on the table is the leadership. The Pelosis, Reids, McConnells and Cantors think in cycle-to-cycle segments. Thus, tax reform or securing the border or lasting immigration reforms are to be put off beyond the next election. Immigration reform in 2015? Well! Not with an election coming in 2016.

Deep in their hearts and minds, however, I sense that all of our Hoosier public servants know that the answer lies in new blood, whether it's a dynamic new leader in the White House, or a leadership revolution in the two chambers. The steepest obstacle is overcoming the pack mentality that is, well, Congress. ❖

Pence, from page 1

Pence said of the upcoming biennial session of the General Assembly, "It's about fulfilling the promises of our first session. After all that's done and the gavel falls, Karen and I will sit down with the family and a few close friends and make some decisions about our future."

Asked in Aurora about a potential presidential run, Pence quipped, "I have to read the newspapers to keep up with my ambitions."

Senior political sources close to Pence have laid out a timeline, as Pence does a careful political and policy balancing act over the next six months.

The thrust of the timeline is this:

■ Pence and his political team will take all of the necessary steps for a 2016 reelection bid. "It will be evident in some ways in the coming weeks, and even more evident by the end of the year," the source told Howey Politics Indiana. Pence political associates have always said the telltales will be the classic "follow the money." Pence's semi-annual Indiana campaign report filed on July 15 had a beginning balance of \$1.357 million, total contributions of

\$1.235 million, expenditures of \$456,309, and an ending balance of \$2.136 million. Since then, large contribution reports were filed on Sept. 26 for a \$50,000 contribution from John D. Bryan of Lake Oswego, Ore., and \$30,000 from Jeffrey Gaither of Indianapolis, and Bose McKinney & Evans LLP for \$18,000, both filed on Sept. 17. Pence's FEC report for 2014 shows \$4,736 cash on hand. Pence's Win Back America PAC showed a beginning balance of \$5,038, an ending balance of \$413 on June 30, with \$5,305 in total receipts, and \$9,930 spent. Pence said Wednesday, "Let me be clear, we are certainly taking steps for reelection. It begins with reelecting our team. As we discharge our day-to-day duties, we will help support the team."

■ Pence will focus on the November election and adding seats to the Indiana General Assembly super majorities. On Wednesday, Pence campaigned in Lawrenceburg on behalf of Senate candidates Chip Perfect and Jeff Raatz and on Wednesday night with SD47 GOP nominee Erin Houchin in Salem. Other recent campaign fundraisers have helped State Auditor Suzanne Crouch and state treasurer candidate Kelly Mitchell.

■ The Pence administration is "all hands on deck" in the development of the 2015 biennial budget, the governor's intentions on reforming and simplifying the tax code.



Pence said Wednesday, "For me, job one is my job, which includes day-to-day operations, putting the policies we have in place, and continuing policy development for the upcoming session." State Budget Director Brian Bailey told the Fort Wayne Journal Gazette, "You're going to see a deeper stamp of (Gov. Pence's) administration on this budget." The Associated Press reported that even though the state has a \$2 billion surplus, department heads "have already received strict marching orders as they prepare their requests for fiscal years 2016 and 2017. They include subtracting 3% from their 2015 appropriations and identifying potential cuts to offset requests for new or expanded programs." Bailey said each agency also has been asked to rank the programs it oversees in order of importance as part of the Program Assessment Comprehensive Evaluation, which helps identify and eliminate underperforming programs or those that conflict with Pence's primary goals. "It helps us make funding choices," Bailey said. In his first two legislative sessions, Republican sources claimed the administration was behind in developing its legislative program. That appears to be changing with former legislator Jim Atterholt coming on board as chief of staff last spring.

■ Following the expected April 30 sine die – and there will be virtually no appetite for anything coming close to a special session – Pence will gather his family and a tight inner circle, review the progress of the reelection bid, and take a look at the 2016 presidential race.

Is Gov. Pence gauging the presidential race that for the first time in almost a century has no obvious heir apparent or frontrunner? "He is not even speculating on that," a senior Pence confidant told HPI. "He will wait until the legislature is over, then take a look and make a decision."

Following the legislative sine die, Pence will discuss the options with First Lady Karen Pence, the three college-age children, and a tight inner circle that includes his brother Greg, long-time chief of staff Bill Smith, long-time political patron Van Smith, and Republican wise men such as Fred Klipsch and Jim Morris.

Sources close to the governor acknowledge that "he keeps getting asked THE question" about a potential presidential bid. The bookend on the national equation is a

potential vice presidential bid which would come in mid-summer 2016 and be problematic because Indiana Republicans would be forced to come up with a replacement gubernatorial nominee. U.S. Rep. Marlin Stutzman and his chief of staff, State Sen. Carlin Yoder, both told HPI in July that Pence would need to choose between reelection and a national race. Both urged him to seek the presidency. Earlier this month, U.S. Rep. Luke Messer told HPI he expected Pence to seek reelection.



Gov. Pence speaks to farmers at the David Hoar farm near Salem in Washington County Wednesday. (HPI Photo by Brian A. Howe)

In August on the eve of a Dallas appearance with Americans For Prosperity, Politico featured an article reviewing the governor's close ties with the influential and deep-pocketed Koch Brothers. Former Pence chief of staff Marc Short runs Freedom Partners, described by Vox as "a kind of umbrella organization for the Kochs' various political activities." The implication is that should Pence seek a presidential nomination, the Koch Brothers (both worth more than

\$42 billion, according to the Forbes 400 list of the richest Americans released earlier this week), would give him the ability to quickly jump start what would likely be a \$1 billion presidential bid if he wins the nomination.

Over the past few months, Larry Sabato's Crystal Ball added Pence to his 2016 list as a "wild card." The Sabato list was void of a first-tier candidate.

And then on Tuesday, WMUR-TV in New Hampshire reported that Pence will stump for Republican gubernatorial candidate Walt Haverstein in October, and Vox's Matthew Yglesias posted this provocative article: "Seven reasons Mike Pence will be the GOP nominee in 2016."

"Meet Indiana governor and former House member Mike Pence," Yglesias began. "Here's why his chances of being the next Republican nominee for president are excellent."

His list includes: 1. "Mike Pence fits the bill," adding, "The baseline criteria for becoming a major party presidential nominee is that you have to be the kind of person a major party would nominate for president. Pence certainly fits the bill – governor of a state is about the most common nominee out there, and his past congressional experience means he's known to DC players." 2. Pence has avoided controversy, which dovetails into an earlier HPI analysis that when you Google "Pence, crazy quotes"

all you get are wellworn quotes most Hoosiers know by heart. 3. Pence is well-liked by other Republicans, noting his rise to the House Republican Study Committee, the No. 3 slot in leadership after challenging Speaker John Boehner, and his election to the Republican Governors Association Executive Committee.

At No. 4, Vox lists Pence as an "orthodox conservative," No. 5, he's "plugged into the GOP's "new money network" featuring David and Charles Koch, No. 6, Pence "broke with his party smartly" on No Child Left Behind and the Medicare prescription drug expansion, and No. 7, "Mike Pence backs Reaganesque economics" as a "solid supply-sider in Congress."

While Team Pence plots his reelection, Gov. Pence is sprinkling fuel and fanning the subsequent flames of presidential speculation. In Dallas, he lit up the tweeters, saying, "Some people say our next nominee should be a governor, and I'm certainly sympathetic to that."

After the General Assembly's sine die, Gov. Pence will certainly survey the GOP presidential. At this point, few know whether former Florida Gov. Jeb Bush will run, or whether Mitt Romney will try for a third term, or whether Texas Gov. Rick Perry can easily dispose of a laughably political indictment, or whether New Jersey Gov. Chris Christie can put to rest his bridgegate controversies and budget dilemmas, or whether Wisconsin Gov. Scott Walker can even win reelection. Another part of the equation is whether the U.S. Senate trio of Ted Cruz, Rand Paul and Marco Rubio can find traction.

On all counts, there are legions of doubters. Amid all this consternation arises a potential pathway for Gov. Pence, with a vacant White House at the end of Pennsylvania Avenue at 11:59 a.m. on Jan. 20, 2017.

Pence makes observations on 2016

Knowing how Gov. Pence would respond to "THE question," HPI asked him to comment on how for the first time in almost a century, the GOP doesn't have an heir apparent, which is kindling interest in him.

He was an American history major at Hanover College, and as we drove by the campus in its black state Chevy Tahoe, Pence reiterated, "First, I really don't think about it."

Then he said, "I said the other day the difference



Gov. Pence poses with two young questioners at the the forum Wednesday morning at the Aurora City Hall. (HPI Photo by Brian A. Howey)

between being in Washington and being in Indiana is Washington is always focused on who's next. As governor, I'm focused on what's next. What's the next opportunity to build on the momentum of the state? It's interesting to watch that discussion from afar and it's one of the things that I've said, the solutions are going to come from the state capitols and not the nation's capitol."

Pence added, "States like Indiana have demonstrated over the past decade they can make significant progress in a relatively short period of time with the right kind of leadership. That's my larger comment."

He pointed to a speech he made in August to the Republican National Committee. "It kind of reflected on some of the themes I spoke of in Texas. There are three things our party has to be about. No. 1, we have to be solution oriented. I think my record in Congress reflected this with immigration reform and the media shield law. Certainly with the Healthy Indiana Plan, our regional vocational work councils, we've been trying to provide solutions that allow the state to move forward. I think for our party going forward, it's essential we be seen as providing solutions. We don't have to give up on any of our core principles, but we have to create solutions grounded in those principles."

"No. 2," Pence continued, "I've said as we develop those solutions, I'm challenging the leaders of our party that as a Republican you believe in the principles of limited government at the federal level and I think in some respect, over the last 25 years the Republican Party has become just the other party in Washington. In education, health care and transportation, we ought to be looking for ways to offer policies that states have innovated. When I talk to the President on Friday and thereafter, my message is the Healthy Indiana Plan is a solution that Hoosiers crafted. When I signed the bill taking us out of Common Core, my message was we're going to go through the process of writing standards for Hoosiers by Hoosiers. Whether it's in the health care space or education, I just think we can find the solutions here."

Pence's third point was this: "I was drawn to the Republican Party because I perceived it to be a banner of optimism. Reagan has a great line toward the end of his first inaugural address, when he says something to the effect, and I'm paraphrasing, "Why shouldn't we dream great dreams?"

Pence told a story of his Irish-born grandfather

surveying a new home purchased by his parents in Columbus. "I just never thought a child of mine would live in a house like this," the grandfather said. He died soon after, and the following spring, Pence visited his native Ireland. "I went to the house he grew up in. It was a two-room house with a big thatch roof," the governor said.

Pence then talked of a theoretical 2016 GOP nominee. He notes that some candidates talk of running Washington like a state. "Washington is not a state. Not literally or figuratively," Pence said. "I'm looking for someone who says, 'Send me to Washington and I'll make it possible for the next man or woman running my state to have more freedom, more flexibility.'"

"And the second thing," Pence added, "the country is looking for someone who expresses optimism and confidence."

First things first

Pence could be looking in a mirror to find such a candidate.

But first things first.

Gov. Pence needs his budget to glide through the General Assembly. He needs his tax simplification and restructuring to get good traction with his super majorities. He needs to avoid the prairie fires that lit up city halls over his business personal property tax repeal plans that didn't provide replacement revenue. He needs to address the infant mortality and methamphetamine crises gripping the state. He says the state's new data center will greatly help on both these fronts.

And he needs to win approval of the Health Indiana Plan 2.0 and usher in its implementation without the Obama(care) drama, though a federal rejection would only underscore in dramatic fashion some of the very points he outlined on Wednesday.

Two hallmarks of Pence as an executive are these: He has been adroitly disciplined on message. The internet is not littered with stupid quotes and reckless controversy. He is laser-focused on his priorities.

In the meantime, the papers and bloggers will keep tabs on his ambition. ❖

Pence reveals tell tales for biennial session

By BRIAN A. HOWEY

AURORA, Ind. – Gov. Mike Pence is planning to prioritize education funding in the coming biennial legislative session, is awaiting study from the tax commission before making decisions, and is preparing to personally lobby President Obama on Friday for federal approval of the Healthy Indiana Plan 2.0.

These were the revelations Pence made at a community forum at the Aurora Town Hall Wednesday morning. In conversations HPI had with the governor as we drove from Lawrenceburg, to Madison and then Salem, Pence acknowledged the gravity of the upcoming General Assembly session and promised an "all hands on deck" immersion into what he hopes will be a signature session.

"In Indiana, we do two things well: We make things and we grow things," Pence told about 100 people gathered for the forum. "We didn't invent basketball, but we perfected it."

His immediate priority is to personally talk with

President Obama when he flies in to Evansville and travels to Princeton on Friday. "I'll be looking for a one-on-one with him while he's in Indiana," Pence said. "I want to expand Healthy Indiana Plan, but I want to do it the Indiana way."

The state is facing pressing deadlines on the proposed implementation of HIP2.0 while the Centers for Medicaid/Medicare Services has weighed what would be a third waiver on the program that currently insures around 40,000 Hoosiers, but could extend coverage to up to 600,000. Pence has characterized his talks with HHS Secretary Sylvia Burwell as productive, but believes the HHS and CMS bureaucracies are delaying a decision.

Pence received the loudest applause when he reiterated his stance that he wants the repeal of Obamacare "lock, stock and barrel."

Pence sees his top education priority to date, the regional work councils that received wide bipartisan support in 2013, as the foundation for what he hopes to do on education next year. At Aurora and on a visit to a farm near Salem in which he drove a corn combine as a record harvest is underway, the topic of education funding came up.

"We need more funding for rural schools," Rhonda Johnson, a senior English teacher at West Washington HS, told the governor as he chatted with dozens of farmers.



West Washington HS teacher Rhonda Johnson (left) pressed Gov. Pence on rural school funding increases. (HPI Photo by Brian A. Howey)

Another farm told the governor, "Just don't forget Southern Indiana."

Pence responded, "Not a chance."

At Aurora, Pence was asked about school funding and responded, "Education will be the forefront of this session of the General Assembly."

While he has been criticized by Democrats for maintaining and boasting about a \$2 billion surplus, Pence said that a fiscal foundation has been established that will now allow the state to pursue education goals. "We look at our fiscal strength and we will look first and foremost at our schools. We will look at funding across all 92 counties to meet your needs."

"I really do believe that other than public safety, education is the most important thing we do," Pence declared. "Be ready to see it as a focus."

A student asked Pence about how Indiana will shore up its gaming industry as competition has increased in Ohio, Michigan and Illinois. Aurora and nearby Lawrenceburg and Rising Sun all have casinos that have seen revenue fall due to out-state market forces. "It's one we're thinking about," Pence responded, noting that in 1988 the state made a decision to accept gaming. "I support a policy that neither expands nor contracts gaming." He

expressed preference in expanding job opportunities in life sciences, logistics and manufacturing.

"As your governor, I will not support an expansion of gaming," he said. "We have to accept that market forces will have their effects. We're going to be open-minded, but those are my guardrails."

As for eliminating the business personal property tax, Pence told a questioner in Aurora that he was "pleased" at what occurred with the issue last winter, which included expanding abatements and giving counties options to pass local income taxes. "I wanted to raise the issue."

Pence said that competition for jobs with Illinois and Ohio, which don't have the BPPT, and Michigan, which is phasing it out with replacement revenue, has prompted him to explore the issue. He said the Commission on Business Personal Property and Business Taxation is just now studying the issue and potential solutions, and he is content to await its findings. "I don't want to create anxiety" with local officials, Pence said. "I'm interested in seeing what the commission comes up with. Rest assured, we're going to be very thoughtful and we'll keep local communities in mind." ❖

Obama lands in Gary

By RICH JAMES

MERRILLVILLE – Talk about two tales of one city. Of course it is Gary, Indiana. The city had one of its proudest moments Wednesday night with the scheduled landing of President Obama and Air Force One at the Gary/Chicago International Airport.



Because of residual problems at O'Hare International Airport caused by a fire at the Aurora radar center last week, the president planned to land at Gary.

Mayor Karen Freeman-Wilson, who is to greet the president today, had a different take on why Obama was landing in Gary, as opposed

to Chicago. "We feel and hope it is because of the convenience of Gary's location to Chicago," the mayor said. "We are, after all, the third airport for the Chicago area."

The mayor can be as optimistic as she wants, but the fact is that Obama traditionally lands at O'Hare when visiting Chicago. While the Gary Airport is new to Obama, Vice President Joe Biden landed

there in 2012 for a reception in Munster. Freeman-Wilson told the NWI Times Wednesday night that Obama told her he understood many people wanted to make what she called a "real visit" to Gary.

While the Obama landing in Gary is the highlight of the week for the Steel City, there was one rather embarrassing note this week as well. Gary firefighters said they are "living in the stone age." The firefighters said the



Gary Mayor Karen Freeman-Wilson and U.S. Sen. Joe Donnelly greets President Obama Wednesday night at the Gary/Chicago Airport. Air Force One landed there due to the FAA radar arson last week. (Post-Tribune Photo)

department has stations with asbestos and mold and no heat and air conditioning. Because of a gap in technology, the equipment is outdated, they say.

Perhaps the most embarrassing part of the plight of the firefighters is that they have taken their cause to the public since they are getting little resolution from city hall. To raise money for equipment, the firefighters are selling T-shirts and hoodies online. The T-shirts are \$18 and the hooded sweatshirts are \$44. The firefighters and city police officers rallied outside city hall Sept. 16 seeking better working conditions and salary increases. The firefighters haven't had a contract in seven years or a raise in nine years.

Interestingly, Freeman-Wilson had no comment about the firefighters raising money to purchase equipment that the city should be providing. The mayor's lack of a comment leads one to wonder if the firefighters are seri-

ous about raising the money to buy their own equipment, or are they simply trying to embarrass the mayor and city council.

Such is the plight of a city that has lost more than half the 175,000 residents who once made Gary home. The residents and businesses fled from Gary in the years following 1970. With them went the money. While Gary has many of the same needs in terms of firefighting, it doesn't have the money to support those requirements.

Even though Obama likely doesn't know that, the city will celebrate this week as if it doesn't have a care in the world. ❖

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.

Autumn is the time to travel Indiana

By **MORTON MARCUS**

INDIANAPOLIS – Autumn is moving south through Indiana, transforming the green of summer to gold, red, and orange. The beauty of the state, evident in every season, is heightened by the special palette of on-rushing October.



Our outdoor delight began this year with a visit to Goose Pond, a Department of Natural Resources (DNR) treasure centered on SR59 south of Linton in Greene County. Although commuters passed by, the many areas set aside for bird watching and enjoyment of the wetlands were empty at both sunset and sunrise. Every subtle variation of color was revealed by the late and early rays of the sun just above the horizon.

From Pokagon State Park north of Angola to historic Angel Mounds and Harmonie State Park near Evansville, Indiana is blessed with distinctive opportunities for relaxation, recreation and education. These amazing resources do not get the attention and funding they deserve. But then, what aspects of our state's assets get the attention and funding they deserve?

Your best introduction to the riches of DNR is their website (<http://www.in.gov/dnr>); a quick, but lesser alternative is the Indiana state highway map from the Indiana Department of Transportation (InDot). Every Hoosier

car should have a copy of this map in the glove box.

Recently I picked up a copy of the Official 2015 Roadway Map at a rest stop on I-65. There is I-69 complete from the Ohio River in Evansville to southern Greene County at U.S. 231 near Crane. There is the U.S. 31 Kokomo bypass on the map as further evidence the most cynical among us can be wrong.

Yet this most-up-to-date map shows the new U.S. 31 between South Bend and Plymouth under construction when it actually is now complete. We imagine the map went to press before the road was finished. But why put out the 2015 map so early in 2014? Is InDot imitating the auto industry? What I find objectionable about our state road map is the replacement of city maps with tourism advertisements. Gone are the individual maps for Fort Wayne, NW Indiana, South Bend, Evansville, Terre Haute, Lafayette, Bloomington, Jeffersonville-New Albany, etc. Only Indianapolis is still shown in any detail.

Yes, the state gets money from these ads. Yes, that money helps defray the cost of printing and distributing the maps. Bully for the state's fiscal conservatism!

However, we lose a valuable feature of the old state road maps which helped us navigate our way in the larger metro areas. Naturally, some will insist on-board navigation and mobile devices have superior map services and paper maps are inadequate relics of a fast disappearing past. I suggest that paper and electronic maps serve different purposes. Little serendipitous discovery can occur with electronic maps. Those are wonderful to find specific places; they are not stimulants to the wandering spirit.

Indiana is a great state to explore. Let's have a road map that facilitates that activity, rather than one devoted to commercial boosterism. ❖

Mr. Marcus is an economist, writer, and speaker who may be reached at mortonjmarcus@yahoo.

Ballard's WTHR interview suggests 3rd term unlikely

By BRIAN A. HOWEY

INDIANAPOLIS – The speculation surrounding Indianapolis Mayor Greg Ballard's political future took a new twist late last week when WTHR-TV pressed him on a potential reelection bid or other job opportunities that are floating out of the rumor mill.

Ballard's answer was: "I'm thinking about what's best for me and Winnie, to be frank with you. I don't think like a normal guy in this office, I suppose. My motivation is probably a bit different, so I'm just trying to do what I can for the city right now. Winnie and I are a little older. We're not 40 years old anymore so we're gonna have to look at what to do."

That part of the answer didn't breathe any new life into the expected notion that Ballard would seek a third term. Former Indiana Republican Chairman Rex Early observed, "If he was going to run, he would have announced by now. What does he gain by keeping people guessing?"



When it comes to what Ballard has accomplished over seven years, the answers are legend: The completion of Lucas Oil Stadium, Indianapolis International Airport, landing the NFL Super Bowl

and executing an event that brought rave reviews, building Eskenazi Medical Center and the Indiana University Medical School brain center, converting the city fleet to green energy, and kicking off a community bicycle system.

The vision, recently highlighted by Ballard's response to the crime problem via a pre-kindergarten program designed to break a vicious cycle, has bogged down. For weeks now, the growing speculation has been that seven years in office have taken a financial and emotional toll. Winnie Ballard, multiple sources tell HPI, is seeking a job. The violent deaths of two IMPD officers have hit the former career military officer hard.

WTHR-TV's Mary Milz asked Ballard about a potential job at Cathedral HS, a tip HPI has also heard, bringing this response from the 60-year-old mayor: "Well...no...I wouldn't read too much into that. I mean, just personally, if I do or I don't, we'll find out by the end of the year. I guarantee you that."

These answers don't instill the notion that Ballard's heart is into another term, let alone a coming intense campaign against either Democrat Joe Hogsett or State Rep. Ed DeLaney. Several sources have told HPI that Ballard felt his successful tenure earned him an inside edge into a

third term. Instead, the establishment prompted a Hogsett candidacy and the Republican part of the super structure began seeking alternatives.

Ballard's atypical career has always been seen as apolitical. When talking with former mayor and senator Richard Lugar and former Senate colleague Sam Nunn last February at the University of Indianapolis, Ballard told Nunn that part of his success was due to the fact that



"people don't see me as a politician." There have been no negative TV ads. Ballard has always excluded policy over politics.

But 2015 would require Ballard to be intensely political. The city has long trended Democratic demographically,

with the party finally capturing the prosecutor's office while holding the sheriff, clerk and a council majority. The mayor's office is the next big target. And Ballard faces a tough scenario for any two-term mayor: Whether to run again, and win when the political enemies list grows and the accumulating nicks and cuts become serious.

In the wake of Ballard's recent interview, the Republican contender speculation list now includes:

- Former city councilman Jeff Cardwell, who now serves as Gov. Mike Pence's executive director of the Office of Faith-based and Community Initiatives. Cardwell is a longtime south side businessman and has been active in housing and health issues. He is popular with the church community and has been a longtime ally to Gov. Pence. He was elected to the city-county council in 2007 and served until joining the Pence administration.

- J. Murray Clark, former state senator, Indiana GOP chairman and 2000 lieutenant governor nominee. He has the pedigree as his uncle Alex served as mayor. Clark is a partner with Faegre Baker & Daniels.

- State Sen. Jim Merritt, who has served in the Senate since 1990 and is current majority caucus chair. Merritt's legislative expertise has been with transportation, homeland security and utilities. He is vice president for corporate affairs with the Indiana Railroad Company.

- Councilman Michael McQuillen, who has served on the council from District 12 since 2007 and is Republican majority leader. McQuillen also co-chaired the platform committee with Lt. Gov. Sue Ellspermann during last summer's Indiana Republican convention.

- Former councilman Phil Borst, who served as council president during his 28 years. Borst is south side veterinarian. ❖

White wants elections more accessible

By MAUREEN HAYDEN
CNHI Statehouse Reporter

INDIANAPOLIS – Beth White was ready with a list of election reforms as she faced a press gaggle on the Statehouse steps last week, just 40 days before her race for secretary of state goes to voters.

"Here's the issue," said White, the underdog challenger. "Our elections here in Indiana need to be better,



and they need to work better for the people of Indiana."

White, a Democrat trained as a lawyer, went on to make an eloquent case for early voting, longer poll hours, and a redistricting process free from the taint of partisan politics. She made her most vigorous argument in defense of democracy.

White said she's horrified that Indiana is among the worst in the nation for voter turnout. In 2010, the state ranked 48th among the 50 states. This past May, only 13 percent of its registered voters went to the polls for the primary elections, down from 22 percent in 2012.

When questioned as to why it matters if the disengaged don't vote, White shot back, "Because democracy is not a spectator sport." Voter turnout, she said, is a measure of the public's trust in government. "Democracy only works when the relationship between government and the governed is a symbiotic relationship, when people believe government cares about them and are invested in influencing their government through their vote," she said.

People who don't buy into voting don't buy into government, she argued. She called that dangerous given that government calls on citizens to follow laws, send children to school and pay taxes.

Incumbent Secretary of State Connie Lawson speaks, too, about the need for more voter engagement. But she has a harder row to plow. As a legislator, the Republican Lawson co-authored a controversial voter ID law, among the first in the nation. This past summer, she launched a purge of the voter rolls, prompted by a lawsuit that claimed the state's voting rolls were filled with dead people and others long gone.

Lawson argues that she's supported reforms that "make it easier to vote and harder to cheat." White disputes the first half of the premise and calls voter disillusionment "the real crisis."

Indiana is one of only three states that close polls at 6 p.m. on Election Day, which White says keeps too many voters from participating. To those who question the cost of keeping the polls open longer, she responds, "The cost I worry about is what it means for our democracy when so many people don't vote."

White's passion for the political process came early. Raised in Bloomington by a college-professor father and school-teacher mother, she remembers volunteering at age 9 on the congressional campaign of a pioneering female politician, Democrat Charlotte Zietlow. Zietlow failed to knock off the popular incumbent, but White recalls the thrill of being on the road with the candidate. "I remember sitting in the back of the car thinking, 'I want to do this.'"

She majored in political science in college, and after law school went to work for prominent Democrats, including former Indianapolis Mayor Bart Peterson.

Republicans have held the secretary of state's office since 1994 and don't want to let go. Among other perks, the

office holder picks election inspectors and can put his or her party's candidates first on the ballot.

White said her attraction to politics is part of something grander. "I love politics. It's the art of the possible," she said. "It's possible to solve the problems we have. It's possible to make our state better. Whether we have the will to do it or not is an open question, but it is possible."

Claytor urges toll road bankruptcy

Mike Claytor accused Attorney General Greg Zoeller of ignoring the Indiana Toll Road parent company bankruptcy, which he says could give the state options.

"Apparently, the state administration has never heard of the power of a Federal Bankruptcy Court," said Claytor, the Democrat nominee for state auditor. "Contracts and lease agreements get modified all the time in bankruptcy proceedings. We do not know what our lease agreement will look like if the creditors' committee has their way with it."

Claytor said that state officials have intervened in other matters that have hurt Hoosiers, but cannot find the time to pursue a case worth billions. "Our former state treasurer was able to intervene in Bankruptcy Court to try to put Hoosier Chrysler workers out on the street. Our Attorney General can intervene in every court he can find to prevent people who love each other from getting married. But apparently, our attorney general has no time to intervene in a Bankruptcy Court to protect Hoosier ownership of a multi-billion dollar state asset."

"Our state administration took the \$3.8 billion payment, a 75-year value of the toll road, and spent it all in eight years," said Claytor. "If the bankruptcy court starts asking for some of that money back, we might have to sell I-69 in order to buy the toll road out of bankruptcy."

Bock presses Walorski on shutdown

It's been a year since the 2013 federal government shutdown, and Democratic U.S. House hopeful Joe Bock is using the anniversary to highlight his criticism of U.S. Rep. Jackie Walorski's role in the stoppage (Vandenack, Elkhart Truth). As talks intensified last year to extend federal spending authority beyond a Sept. 30, 2013, expiration date, Walorski aligned with a group of conservative House Republicans using the negotiations as leverage to push to defund the Affordable Care Act. Democratic lawmakers rebuffed the controversial GOP effort, the sides couldn't reach accord on extending the deadline and lacking spending authority, the federal government shut down Oct. 1, 2013. The partisan turn of events last year has been one of the key elements of Bock's criticism of Walorski, a GOPer seeking election to her second term. He kept up the heat in a statement Wednesday, Oct. 1, a year since the stoppage started. The shutdown last year — a headache for Republicans, who took much of the blame for the stoppage in polling — lasted until Oct. 16 and underscored criticism of the federal government as dysfunctional. "The people of northern Indiana deserve better," Bock, a University of Notre Dame instructor, said. With Election Day, Nov. 4, just over a month away, Walorski's campaign offered no immediate response. **Horse Race Status:** Leans Walorski

SD15: Brown, Morris engage

Two opposing state Senate candidates kicked off the final month of campaigning Tuesday before the Nov. 4 election (Fort Wayne Journal Gazette). Democrat Jack Morris and Republican Liz Brown are vying for the state Senate District 15 seat, open for the first time since 1985 as Sen. Tom Wyss, R-Fort Wayne, is not seeking re-election. Morris, a Fort Wayne attorney, announced an initiative for providing two years of tuition-free community college or technical training for high school seniors at the annual Industrial Advancement and Apprentice Promotion event at the Plumbers & Steamfitters Local 166 union hall. Brown and other Republican candidates were endorsed by the National Federation of Independent Business at Connolly's Do It Best Hardware on Dupont Road. Morris' community college affordability plan is a win-win for students and businesses, he said. "Students receive an education, and we provide businesses with the skilled, in-demand workers they need," Morris said. Hourly wages for an apprentice range from \$12 to \$24 an hour, he said. The program is similar to one launched in Tennessee last year that couples last-dollar tuition support with mentoring and a commitment from students to engage in community service, maintain a 2.0 GPA and file for federal student aid. The program would also stipulate an agreement that the student stay and work in Indiana for a reasonable amount of time, perhaps five years, he said. "According to Gov. Pence's Commission for Higher Education, 54 percent of all jobs in Indiana are classified as middle-skilled, but only 47 percent of Hoosiers likely have the required skills and credentials for jobs," Morris said. "Demands for middle-skilled

occupations like plumbers, respiratory therapists and heating and cooling installers are projected to increase 16, 20 and 33 percent, respectively, between 2008 and 2018." Those types of jobs require more than a high school education but less than a four-year degree, he said.

Politicians in Indianapolis will spend more than \$1 billion in tax cuts for banks and corporations, and the community college affordability plan in comparison is a relatively small investment, Morris said. "This is an investment in our most vital asset — working Hoosiers," he said. "Even though business is good, our wages are not keeping pace. This program would get people into a skilled profession so they could get a job and make good wages and afford to feed their families." Morris thinks his plan will garner broad bipartisan support. "This is a plan that Democrats and Republicans can work on together, rather than a pro-labor group and a pro-business group working against one another," he said. Brown agreed that the area has not kept pace with wages, but she said the lower cost of living must also be taken into consideration. "We need to find out why businesses are not opening here," Brown said. "Are there too many impediments? Are taxes too high? Are there not enough skilled workers?" **Horse Race Status:** Leans Brown

HOUCHIN BEGINS TV ADS: SD47 Republican challenger Erin Houchin has launched her TV ad campaign against State Sen. Richard Young. On Wednesday, Young's campaign was in the process of putting up yard signs in Washington County. **Horse Race Status:** Tossup

SABATO SEES SENATE MOVING TOWARD GOP: The race for the Senate is perceptively moving in the Republicans' direction, but not so dramatically that we're ready to call the race definitively for them (Sabato & Kondik, Crystal Ball). While we've long said the 2014 map and midterm dynamics make a GOP takeover of the Senate a probable outcome, there are just too many close races left and more than a month to go, when big gaffes, unexpected legal actions, and national events can potentially flip a Senate seat or two. But right now, Democrats are behind the eight-ball (as well as the Crystal Ball). The Republicans are seeing some encouraging public polling in a couple of states President Obama won in 2012, suggesting their increasing potential for gains beyond the comfortable red-tinted territory where they are already positioned to make considerable inroads in November. GOP Senate majority (51-49, 52-48, or 53-47) appears to be the likeliest outcome as of this writing and as the final month of the 2014 midterm campaign begins. a newly-released poll from USA Today/Suffolk University found independent Greg Orman leading Sen. Pat Roberts (R) 46%-41%, marking the fifth straight poll since early September to show Orman ahead of the incumbent. Then news broke that a Kansas court ruled that Kansas Democrats will not have to name a replacement candidate after the party's nominee, Chad Taylor, dropped out of the race. ❖



LOITs unlikely answer to BPPT replacement

By **MATTHEW BUTLER**

INDIANAPOLIS – Local governments presented a two-fold message when it comes to the repeal of the business personal property tax.

The Commission on Business Personal Property and Business Taxation met for the second time on Monday and heard from an array of leaders and groups representing local governments. Their message was: 1) Property tax cap circuit breakers were severely hamstringing local budgets and, if unchanged, were only going to get worse; and 2) If the business personal property tax (BPPT) is eliminated, replacement revenue through existing local option income taxes (LOITs) would be extremely difficult, if not unworkable in some localities.



Local government leaders are concerned with the fate of the BPPT, which will generate an estimated \$1.06 billion in 2015 for local government units. Republican leadership, backed by Gov. Mike Pence and key business groups, tried to eliminate the tax the last legislative session but instead passed as a compromise package including a local option BPPT elimination scheduled to take effect July 2015.

Circuit breakers and localities

Testimony before the commission Monday hammered the point that property tax cap circuit breakers continue to devastate many local government budgets. According to data from LSA and the firm Policy Analytics, property tax circuit breaker credits reduced revenue for local governments and schools by \$766 million in 2013. The estimated loss for 2015 will total \$825 million. The average county lost \$1.176 million and the average school corporation lost \$728k to property tax circuit breakers in 2013. Cities and towns lost an average of \$432,500. For all units of local government, the average loss to circuit breakers

was \$240,550.

Taxpayers have benefitted from the corresponding tax relief; however, that has not been enjoyed evenly. The primary beneficiaries of these caps were rental owners, who garnered roughly half (48%) of the circuit breaker credits whereas the remainder was roughly divided between homeowners (25%) and industrial properties (28%).

At the county-by-county level, however, the distribution is far from uniform. In Boone County, for example, 88% of its circuit breaker tax caps were for the 1% cap pool, homeowners. The remainder, 12%, went to the 2% cap pool; none of Boone's filers eligible for the 3% cap required the circuit breaker. Conversely, in Grant County the 3% cap accounted for 78% of the circuit breaker caps and in Scott the 2% cap accounted for 81%. It was quite evident, as William Sheldrake of Policy Analytics put it, "How variable the caps can operate across the state."

The fact that there are multiple overlapping levies in urban areas often creates the cumulative effect of exceeding the circuit breaker cap threshold. "Circuit breaker losses are concentrated in incorporated areas," testified Sheldrake. All of Marion County's nine townships experienced at least a 4.5% loss in their certified levy due to the circuit breakers. Decatur, Franklin, and Wayne Townships lost more than 20% of their levy. Among other counties hit hard were Crawford, Delaware, Elkhart, Hamilton, Madison, Howard, St. Joseph, and Vigo.

Outside of Marion and Lake counties, those counties with circuit breaker losses exceeding 10% of their certified levy experienced a terrible squeeze. Whereas actual revenue declined 0.1% annually between 2009 and 2014, their certified levy increased 2.7% annually. That divergent trend is accelerating. "Between 2013 and 2014, certified levies increased 25% faster than net levies," Sheldrake told the commission. "Over time, certified levies will become disconnected with actual property tax revenues."

Policy Analytics also brought to the attention of the commission that in many incorporated areas already in excess of the circuit breaker cap, the net impact of any increase in a local unit's respective tax rate will result in a lower share of revenue for the other units. For example, if schools raised their rate in an area already exceeding the cap, then other units like the county, city, library, and

township would see their share of a property tax payment reduced. "The policy decisions of individual units have substantial revenue implications for overlapping units," Sheldrake concluded. He referred to it in classic "game theory" terms as a "prisoner's dilemma situation" for local units.

Commission Chairman Sen. Brandt Hershman found this zero-sum revenue calculus an unintended consequence of the circuit breakers. "The nature of public finance is that there tend to be winners and losers in this process," he said Monday. "Essentially what we heard this morning, one local unit, whether it be a city, a town, or a school, that tries to enhance its revenue does so at the expense of other units. Is that fair? Is that reasonable? I think not. And, I think we need more data here to understand exactly what those impacts have been statewide. It in essence grabs money from other units and that's not the intent of the code."

"There has been an unfortunate tension between local governments and state government and sometimes between local government entities," testified Richard Hickman, current Indiana Association of Cities and Towns (IACT) president and Angola mayor.

As many local units see their revenues decline, the cost of delivering government services inexorably creeps upward. According to IACT, net property tax revenue during the circuit breaker era (2007-2013) has declined at a 0.9% annual average rate whereas state and local services have increased at 2.1% annual rate. "Indiana municipalities have lost 18% of their purchasing power over the last six years," the group told the commission.

"I can tell you the communities around the state have cut and cut and cut," said an emphatic Mayor Hickman. "They've cut to the bone. I realize people want less government but they want more services."

The Association of Indiana Counties (AIC) echoed this line of argument, testifying county governments have tightened their belts and become more efficient but continue to struggle. They provided declining employee averages between 2008 and 2013. For example, counties of between 40,000 and 50,000 persons had reduced their payroll on average from 276 to 209 employees. For the largest counties, the average declined from 1,347 to 1,116.

It was generally agreed the easier-said-than-done solutions open to Hoosier communities were to increase their properties' assessed value and grow their property tax base. The former was especially hit by the recession and recovery is slow. Farmland has experienced the greatest assessed value growth in recent years but usually falls outside the jurisdiction of incorporated areas hitting their circuit breaker caps.

Sen. John Broden, one of two Democrats on the commission, stressed the importance of property values: "You can be a very well run city, a very well managed city, but if your net assessed value is not very high you could experience very heavy circuit breaker losses."

LOIT limitations

On top of the circuit breakers, if the BPPT is eliminated, replacement revenue for localities is widely regarded as essential. Indeed, it was the very essence of IACT's "replace-don't-erase" campaign during the last General Assembly.

Asked if IACT has an official position on the exact source of BPPT replacement revenue, Mayor Hickman said they did not. Sen. Hershman asked if LOITs could bridge the funding gap. Speaking for Angola, Mayor Hickman responded without hesitation, "We're drowning our citizens in a LOIT."

Andrew Berger, of AIC, said the state's existing LOIT structure was largely insufficient to pick up the slack and replace a fully eliminated BPPT. Both his group and IACT provided estimates of the necessary replacement LOIT rate increases. The statewide average replacement rate hike would be 0.77%. Indianapolis, for example, would need a 1% LOIT increase in order to make up the lost \$186 million in BPPT revenue. Other counties would need more: Howard would need to increase its LOIT rate by 2.32% to make up a \$12.6 million revenue loss; Vigo would need a 1.29% rate hike.

The estimated replacement rates for LOITs would vary widely, however. Hamilton would need 0.25% whereas Gibson, Pike, Spencer, and Vermillion would need at least a 2% hike. Counties with heavy industrial presences, like Allen, Lake, and DeKalb would need replacement rates of 0.6%, 1.1%, and 1.25%, respectively.

Sen. Broden was alarmed that the necessary LOITs would vary widely county to county. In some locations heavily dependent on the BPPT, he said a LOIT increase "could lead to a second Indiana income tax" on residents. Broden also expressed concern that property tax caps in addition to the possibility of eliminating the BPPT would lead to a substantial "tax shift" from corporate revenues to employees and residents.

Senate Appropriations Chairman Luke Kenley observed that levies for individual units were often hidden away within property taxes but it is feasible, albeit politically difficult, to make up some revenue shortfall through LOIT proposals and referendums. Terre Haute Mayor Duke Bennett, a panel member and next year's IACT president, disagreed: "How can we have some local control and then we hear from the legislators they don't want to pass any taxes down?"

AIC noted the state's county option income tax councils vary widely in their composition and nature of control. Their all coming to agreements regarding replacement revenue would be difficult. And for some, Berger said, "There is no way to replace the revenue in a few small counties." ❖

The toll road lease was a great deal

By **CRAIG DUNN**

KOKOMO – Okay all you nattering nabobs of negativity, listen up! The Indiana toll road lease was one of the most significant achievements in Indiana history. It was a great deal when it was negotiated in 2006 and it is a stupendous deal today.



I understand that former House Speaker Pat Bauer doesn't have much to do these days except wax nostalgically about the good old days when Indiana was \$800 million in the red, state government was an organizational disaster and he held the House gavel firmly in his hand. However, Mr. Bauer, the pain of your dramatic political decline should not cloud your consistently flawed judgment.

If you are looking to sell your sour grapes and have a final "I told you so" moment in the sun, you'll need to find another issue. The toll road lease is a disaster claim is a dog that just won't hunt!

I have two daughters in Chicago and my wife and I make frequent trips to the Windy City via the Indiana Toll Road. We have made many pre-lease and post-lease trips on the toll road and have experienced, first hand, the differences in service, road quality, cost and snarkiness of toll booth attendants both before and after privatization. If I did not know that Indiana received \$3.8 billion for the toll road lease, I would still rate the deal an overwhelming success.

The road conditions have been significantly improved with potholes filled and lanes resurfaced. Driving through Gary used to be like driving on a lunar surface without shock absorbers. Without a doubt, the road conditions on the Indiana Toll Road have vastly improved since the lease was executed.

Long before the lease, I used to enter the toll road at Gary and wonder how the State of Indiana could afford to pay a toll booth attendant to collect a 15-cent toll. Is it any great revelation that Indiana never turned a dime of profit over the 50 years of governmental management of the toll road? While Pat Bauer and toll road lease critics might consider a 15-cent toll at Gary and a 50-cent toll at Hammond, collected by surly attendants, to be the very definition of governmental success, I find the current rates of 70 cents at Gary and \$1.70 at Hammond to be just fine when coupled with better road conditions and better toll booth service.

People would do well to remember that toll roads are to be paid for by the drivers who use them. They are

not a God-given taxpayer right. If you don't like the toll rate, get off and use alternative routes. Ironically, the dual phenomena of higher toll rates coupled with the vastly improved Interstate 80/94 through Lake County, paid for with the proceeds of the toll road lease, actually contributed to declining toll road revenues and the ultimate bankruptcy of the toll road lease consortium. Talk about being hoisted with your own petard!

So people, let's review the Indiana Toll Road lease just one more time.

Indiana received \$3.8 billion for a toll road that had never generated a positive return over 50 years. The Northwest Regional Development Authority received \$120 for economic development. The lease paid off over \$200 million in Indiana toll road debt. The six counties along the toll road received \$250 million to fund their local road projects. Sixty new Indiana State Police officers were hired and paid for by the toll road operators, who spent over \$400 million of their own funds to pay for road improvements in Lake County. The \$3.8 billion funded a 15-year highway improvement plan that built expressways on U.S. 31 around Kokomo and South Bend and paid for the U.S. 24 corridor from Fort Wayne to Lafayette. In short, over 200 highway construction projects were paid for by the toll road lease proceeds.

It was the terribly distorted reasoning of Pat Bauer, his Democratic allies in the Indiana Legislature and their friends in the liberal press that ultimately contributed to their political demise. In their effort to demonize Gov. Mitch Daniels by attacking the Indiana Toll Road lease, most Democrats, but not all, exposed themselves as short-sighted merchants of failure. Their faulty logic and failed attempt to characterize the toll road lease as a sale of our native soil to evil "furrinners" spoke volumes to Indiana taxpayers. Continuing to beat the same drum will do nothing to improve the Democrats' electoral chances, as voters have demonstrated that they just don't trust leadership of their state to purveyors of a flat world doctrine.

Last weekend, finding myself on the west side of South Bend, with the two canine members of the Dunn family in dire need of Snorkems Delicious Chicken Jerky Treats that could only be acquired at the Petco store in Mishawaka, my wife and I drove onto the Indiana Toll Road and for the princely sum of 60 cents, flew across the city to canine culinary Nirvana. Without the toll road I would not have attempted this trip. Nellie Dunn thanks Mitch Daniels and the Republicans. Maggie Dunn thanks Mitch Daniels and the Republicans.

My wife and I thank Mitch and the Republicans. My guess is that the taxpayers and voters of Indiana thank them too! ❖

Dunn is chairman of the Howard County Republican Party.

Toll road deal was bad for Indiana

By JACK COLWELL

SOUTH BEND – Sale of Toll Road operations for 75 years in 2006 was a bad deal for Northern Indiana. It just got worse.

An argument can be made by state politicians in Indianapolis that it was a good deal for other parts of the state, providing financing for projects elsewhere. In fact, that was the intent.

The Toll Road, opened in 1956, was hailed as “The Main Street of the Midwest.” It long was a boon for Northern Indiana and its economy. Maintenance and snow removal were praised. Rates were kept low for the benefit of area drivers and commerce and for attracting such traffic flow that bonds for construction could have been paid off way ahead of time if profits hadn’t been used for additional interchanges and improvements that spurred economic development.



Richard Van Mele, former South Bend resident who was chairman of the old Toll Road Commission back when the road prospered in the early 1980s, finds the bankruptcy now of the private Toll Road operators “very upsetting.” He tells of how “our cash flow and income/expense statements were so positive we were able to issue low-interest-rate bonds to build multiple needed interchanges, maintain the road in great condition and pay good living wages to our employees.”

But state politicians long wanted to get their hands on that cash flow and use it for road programs elsewhere instead of having it all used in the Toll Road corridor.

Total state control came inevitably. Then came a shock for many Northern Indiana residents, sale of Toll Road operations to a Spanish-Australian consortium for \$3.8 billion. Some of that was to be used to speed improvement of U.S. 31 between South Bend and Indianapolis. And there has been progress on that, though not with the speed that seemed to have been promised.

This deal has meant progressive toll increases under terms of the 75-year lease.

Quite obviously, the new operation after bankruptcy will continue annual toll hikes to the maximum under the lease. In effect, this will be an annual transportation tax hike for the next 67 years or so. Of Hoosier motorists, it will hit those who use the road the most, Northern Indiana drivers, not those elsewhere who never or seldom drive on the Toll Road.

No vote on this. No more Toll Road revenue going to counties along the road’s Northern Indiana corridor.

Meanwhile, there have been complaints by motorists about the condition of travel plazas, less efficient snow removal, properly placed transponders not triggering electronic opening of gates, too many unmanned booths and confusing or inadequate signage for toll payment. Some complaints aren’t really justified. Some are.

If the state had continued to operate the road, it no doubt would have instituted electronic toll collection, a good thing we see all over the nation, and it would have increased toll rates, too. If political figures facing voters had responsibility, however, we surely would see cleaner and nicer travel plaza facilities.

Not only was much of the money from the sale of operations spent elsewhere, as always was a clear intent, but with all the money spent or obligated, no future funds from the deal will be available for Northern Indiana for the remainder of that long lease.

Gov. Mitch Daniels, it should be noted, never pretended that a lot of the sale money wasn’t major-moving elsewhere.

When The Tribune in editorials raised questions about that, Daniels wrote a reply, complaining that it was time to “stop thinking narrowly.”

Of such thinking about Northern Indiana concerns, Daniels wrote:

“A me-first, region-against-region mentality overlooks the fact that we are all in this together, and that what is good for the rest of Indiana is very good for South Bend, too.”

State officials could look at priorities the other way around sometimes: What’s good for South Bend, for Northern Indiana, just might be good for Indiana.

Now, we are in this together, Toll Road bankruptcy. The road will stay open.

Long-term, according to a Fitch Ratings analyst, aggressive rate increases permitted by the long-term lease for the after-bankruptcy operators could cause headaches as state officials face the issue of the escalating toll rates. So what? That part of the deal will only be bad for Northern Indiana. ❖

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

Russ Pulliam, IndyStar: Although Mike Pence is keeping his options open for the 2016 presidential race, he looks more like a vice presidential candidate. Indiana's governor is keeping his name in the national conversation with occasional appearances before conservative groups and in places like Iowa. He has a consistent conservative, small government record, along with pro-life views that would play well in Republican primaries. The Wall Street Journal added to speculation this week with a friendly column by Gerald Seib about Pence's presidential chances. Yet, he's not going flat-out for the presidency, and his hesitancy has several origins. It's hard to be a governor and run for president. The more he actually puts himself in the race for president next year, the bigger target he becomes for criticism, which could undermine his efforts in his home state. Hillary Clinton also has an air of inevitability about her claim to the office her husband held. Who wants to be the loyal opposition if she will win anyway? The mood of the country also seems to be moving left more than right, at least on social issues. Those factors should give Pence caution about plunging into a presidential race. Yet, he appears to be making himself available for the short list for the vice presidential nomination. Pence would bring strong conservative and family values credentials to the ticket. He stuck to those themes in speaking to the Indiana Family Institute dinner last week. "I'm pro-life and I don't apologize for it," he said, noting five years of decline in abortions in the state and the lowest number of abortions since 1975. "I want to see Indiana be the most pro-adoption state," he added. When many complain about the nasty tone of politics, Pence walks the walk of civility, both with supporters and opponents. As a vice presidential candidate, he'd be a loyal soldier and not wander off to freelance for himself. A complication for Indiana Republicans: If nominated for vice president, Pence cannot also campaign for re-election as governor. The Republican state committee would select his replacement to run for governor, giving Democrats a better shot at winning the office they have missed for a decade. Obvious candidates for Pence's replacement on the GOP ticket would be Lt. Gov. Sue Ellspermann and House Speaker Brian Bosma. ❖



William Nangle, NWI Times: The art of opposition is alive and thriving in Northwest Indiana. One of the region's naysayers is busy opposing a key regional progressive project. Hammond Mayor Tom McDermott Jr. is again opposing a plan to extend the South Shore commuter line south in Lake County. We last heard his voice of negativity when he balked at not being able to designate where a proposed new South Shore station would be developed in Hammond. He said a study to determine the location wasn't necessary. He knew what was best. Last week he issued a long commentary to rearrange financing of the project. His target: Rep. Pete Visclosky. The

plan Visclosky has in place would raise the \$16 million in local funds needed to gain millions and millions in federal money. It has each community in Lake County pledging 30 percent of its share of the CEDIT tax (county economic development income tax) to the South Shore project. McDermott argues Visclosky's funding plan isn't fair with Hammond paying too much. He wants Munster and Dyer, the first communities that would be a part of the expansion, to pay more than 30 percent -- a lot more. McDermott argues it's "money that otherwise would be used by the respective communities" for local needs. Well, McDermott obviously forgets history. Who paid to develop and maintain the South Shore through north Lake County? It hasn't just been Hammond and Gary taxpayers. If only communities along the expanded South Shore line are to pay an excessive share, then Hammond and Gary should be responsible to pay the major cost associated with running the South Shore in the north part of the county. Of course, this rationale is faulty. It's just as faulty as McDermott's argument opposing Visclosky's finance plan. The current South Shore line benefits users from all parts of the region. ❖

Lesley Weidenbener, nuvo: The groups gathered last week at the Statehouse represented an incredibly diverse group of people and organizations – doctors, older Hoosiers, hospitals, mental health centers and kids. But they had one message – and it was aimed at the federal government: Approve the state's HIP 2.0 low-income insurance program. It's not clear whether the Centers for Medicare and Medicaid Services got the message. After all, the event was in Indianapolis – understandably, given where the groups are all located – and CMS is of course in Washington D.C. But given how fast a tweet flies across the web, it's hard to believe some folks in that massive agency didn't hear about it. Whether they do anything about it is up in the air. And that matters to thousands of lower-income, uninsured Hoosiers – as many as 350,000, according to advocates of the plan. It's understandable why approval might take awhile. Indiana Gov. Mike Pence – and the Republican-majority legislature – opted against expanding traditional Medicaid, which was authorized by the federal Affordable Care Act. Pence says that Medicaid doesn't work and GOP fiscal leaders say it's too expensive to implement. So while Indiana officials debated what to do, thousands of Hoosiers who would otherwise have qualified for Medicaid under an expansion have gone either without coverage or were forced to pay more for their care. When that conversation went nowhere, Pence introduced a revamped plan – which he called HIP 2.0 – that is sort of a compromise between Medicaid and the state's low-income health insurance program. Skeptical advocates for the poor were surprised to learn they didn't mind the idea so much. No one thinks the plan is perfect. I don't think anyone believes Medicaid is either. But it's certainly a credible proposal – one that deserves a thorough review. ❖

Pierson resigns at Secret Service

WASHINGTON — Julia Pierson resigned under pressure as director of the Secret Service on Wednesday after failing to quell a bipartisan political furor over repeated breaches of White House security and losing the confidence of the president her agency is charged with protecting (New York Times). Ms. Pierson's support in the West Wing began crumbling late Tuesday, in large part because she did not tell the White House of a security failure in Atlanta last month when an armed man was allowed to ride in an elevator with President Obama at the Centers for Disease Control and Prevention. Despite meeting with the president last week, Ms. Pierson informed him about the incident only minutes before it was reported in the news media on Tuesday evening, officials said. In a meeting Wednesday morning with Jeh C. Johnson, the secretary of the Department of Homeland Security — which oversees the Secret Service — she offered her resignation, and he accepted it. In a statement, Mr. Johnson said he had appointed Joseph Clancy, a former Secret Service agent in charge of the Presidential Protective Division, to become acting director.

Ebola patient sent home from hospital

DALLAS — The man who has become the first Ebola patient to develop symptoms in the United States told officials at Texas Health Presbyterian Hospital last Friday that he had just arrived from West Africa but was not admitted that day because that information was not passed along at the hospital, officials acknowledged Wednesday (New York Times). The man, Thomas E. Duncan, was sent home under the mistaken belief that he had only a mild fever, a hospital

administrator said; the information that he had traveled from Liberia, one of the nations at the heart of the Ebola epidemic, was overlooked. Mr. Duncan came back to Texas Health Presbyterian Hospital on Sunday and was admitted for treatment, but in those two days in between, his contacts with a number of people — including five schoolchildren and the medics who helped transport him to the hospital — potentially exposed them to Ebola, forcing officials to monitor and isolate them in their homes and to begin a thorough cleaning of the schools the students attended.



Niemeyer wants Illiana answers

LOWELL -- State Rep. Rick Niemeyer said he is tired of getting the runaround from state officials on some key facts concerning the proposed Illiana toll road and now he wants answers (Post-Tribune). Niemeyer, R-11th, was joined Wednesday by Lake County Councilman Eldon Strong, R-Crown Point, West Creek Township Trustee Harold Mussman, and his wife, Patricia Mussman, who has been coordinating Indiana's grassroots opposition effort in calling a press conference to bring their concerns to light. The legislator said before the project moves any further local officials must have answers to several questions including what the cost of the tolls will be, how local emergency service providers will cope financially with the increased call volume.

Riecken eyes infant mortality info

INDIANAPOLIS — State Rep. Gail Riecken is seeking more information on how the state intends to spend the \$1.3 million allocated to a public information campaign to help reduce

the state's high infant mortality rate (Evansville Courier & Press).

Sanders, Samuel leaving Pence admin

INDIANAPOLIS – Two of Indiana Gov. Mike Pence's top aides are leaving his administration (Indianapolis Business Journal). Pence announced Tuesday that personnel director Anita Samuel and former workforce development commissioner Scott Sanders are leaving the administration. Sanders is leaving to take a job running the National Association of State Workforce Agencies in Washington, D.C. Pence appointed a new workforce development commissioner last month, but kept Sanders on in a deputy role. Samuel is leaving to spend more time with her family and seek unspecified private sector work.

SBOE inches to new grading system

INDIANAPOLIS - Indiana education leaders inched closer Wednesday to approving a new system for grading the state's schools, nearly a year after a secret overhaul of the school-grading formula by then-Superintendent of Public Instruction Tony Bennett was revealed (Associated Press). The most noticeable change, when the new formula is approved at the next State Board of Education meeting, will be a shift away from a 4.0, GPA-style grading scale to a 100-point grading scale in determining what letter grade a school receives.

Elkhart Co. votes for income tax hike

GOSHEN - The Elkhart County Council voted 4-3 in favor of raising income taxes by 0.5 percent (Elkhart Truth). The council voted 4-3 on the tax increase Tuesday, Sept. 30, but a second vote was required to make the hike official.