



Power 50: Budgets, mayors, presidents

Pence's 2016 decision, mayoral races and biennial budget dictate this year's annual list

By **BRIAN A. HOWEY**,
MATTHEW BUTLER
 and **MARK SCHOEFF JR.**

INDIANAPOLIS – It's a budget year. And a municipal election year. And for the second time in a quadrennial cycle, a presidential speculation year.

These are the components that helped shape the 2015 Howey Politics Indiana Power 50 list. As we've been doing since 1999, the Power 50 is designed to calibrate clout and forecast who in our political/public policy complex is most likely to impact events in the coming year from Washington, D.C., to Indianapolis, and from Evansville to



Elkhart. With the help of our Survey Monkey application, more than 400 of our subscribers and readers weighed in for this edition.

Thus, for the year at hand, we focus on the budgeteers, the mayors who will headline the municipal

Continued on Page 3

The Powerless One

By **BRIAN A. HOWEY**

INDIANAPOLIS – Going rogue in the Indiana General Assembly is not a new concept.

We've had our Jerry Bales and Dan Stephans who were perennial thorns in the sides of their leadership, frequently refusing to get with the program. There were trips to the woodshed, the back bench and sanctioned primary challengers.



There have been others, like Eric Turner, who switched parties. And there have been establishment politicians of today who were banished to the backbench a generation ago, with Sens. Luke Kenley and Murray Clark having the gall to challenge then Senate President Pro Tem Bob Garton.



“2014 may be judged a year of progress at our university, but to rise above the threatening environment which now envelops our whole educational sector, much more decisive action will be required.”

-Purdue President Mitch Daniels



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

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

Brian A. Howey, Publisher
Mark Schoeff Jr., Washington
Jack E. Howey, Editor
Mary Lou Howey, Editor
Maureen Hayden, Statehouse
Matthew Butler, Daily Wire
Mark Curry, advertising

Subscriptions

HPI, HPI Daily Wire \$599
HPI Weekly, \$350
Ray Volpe, Account Manager
317.602.3620
email: HoweyInfo@gmail.com

Contact HPI

www.howeypolitics.com
bhowey2@gmail.com
Howey's cell: 317.506.0883
Washington: 202.256.5822
Business Office: 317.602.3620

© 2015, **Howey Politics Indiana**. All rights reserved. Photocopy- ing, Internet forwarding, fax- ing or reproducing in any form, whole or part, is a violation of federal law without permission from the publisher.

Both were able to make stellar comebacks.

But State Sen. Mike Delph has taken his rogueness to Palinesque strata. He stands in front of the cameras, and the turkey funnel.

Delph earned headlines in 2014 for defying Senate Majority Caucus rules during the emotional arc of the HJR-3 meltdown over the constitutional marriage amendment.

He was sanctioned by Senate President David Long, and seated among the tiny Democratic caucus, losing committee assignments and staff along the way.



Delph was a no-show when it came to the Organization Day swearing in ceremony last November. Then over the course of the past couple of weeks, the Carmel Republican began authoring a series of oddly-framed and even embarrassing bills. One, which he claimed had the imprimatur of Gov. Mike Pence's office, would have allowed the governor and legislators to pursue two offices at once. It was clearly aimed at allowing Pence to run for reelection and president in Indiana simultaneously. The way around that would have Pence running for presidents in other states while running a "favorite son" stand-in here similar to Gov. Roger Branigin's errand for Vice President Humphrey in 1968.

Another bill bordering on the politically absurd would have term limited Indiana House and Senate leadership, which was a classic fool's errand.

In the realm of lawmaking, there are legislators who work to move bills that will be signed by a president or a governor, and those aimed at creating headlines but have no chance for signature. Those are what I call "statement legislators."

Delph has emerged as part of the latter. He is now the rogue

"caucus of one." His credibility at the Statehouse has been akin to a swan dive off El Capitan: Spectacular to watch, but with gravity having the final, career-splattering impact. There are some drawn in to the ruse, such as IndyStar editorial writer/reporter/columnist Tim Swarens who sees in Delph a potential U.S. Senate nominee (you could hear the snickering all the way from the Hart Building).

After all the headlines and headshaking at the Statehouse, emerging this week in a document described as the "Oracle of Delph" is a five-page letter to the Senate Majority

Caucus, but not leadership, complete with a campaign disclaimer. Senate Majority sources confirm that Delph sent it out. With this we have credible, written proof that the Carmel Republican has ridden the burro completely off the reservation.

This thing is like a Halloween trick-or-treat bag. Where do we start, with the Chickletts or the Dum-Dums?

How about this one: "If you recall, I stopped attending caucus last year, intending not to return until Sen. Long publicly apologized for comments he made in my media market referencing me as I entered by 2014 reelection cycle. The narrative created suggesting I divulged private caucus information was both inaccurate and unfortunate in my view. However, after my reelection I was prepared to lay aside my personal grievances and move forward with the caucus."

In the very next sentence, Delph confirmed what we had heard, and which we had approached for confirmation. "So when he, along with Sens. Merritt and Hershman, asked me to not attend this November's caucus lawfully called by Indiana State Chairman Tim Berry to elect our upcoming leadership, I was a little taken aback and surprised. But out of respect for them and our new members who were embarking on what will

be remembered by each of them to be a very happy day, I didn't believe causing a fuss was in anyone's interest."

Good call.

Delph goes on to describe how Long's chief of staff, Jeff Papa, intended to recruit "a young lady from Mexico named Susana Suarez" to challenge him in the Republican primary.

He described Long's move of HJR-3 from Senate Judiciary Committee to Rules, which Long controlled. Delph then made this admission: "Senator Long wanted to control the process and Senator Kruse is very deferential to Senator Long. I unfortunately have not developed this skill set."

Ya think?

Then comes the "little bird told me" part of the missive, when Delph explained, "I use Twitter as a source of media relations, as many members of the Statehouse beat follow me. When I put out by tweet on the Senate floor, I did so as a convenience to me to address all media inquiries at one time. Senator Long approached me in the back of the chamber and we discussed this. He was not happy. I honestly thought little of the tweet at the time and didn't think it to be a big deal, as I have literally put out thousands of tweets. However, this was not some sort of leak. No private information was shared. Later that evening, I received two separate Statehouse media calls telling me that Senator Long has basically thrown me under the bus accusing me of leaking private caucus information."

Can you imagine what Potch Wheeler would have thought of the Twitter?

"I contacted Senator Long via text," Delph continued. "Things kind of went downhill from there."

Understatement!

Then there was drama. "My Twitter feed started trending. My daughters were called horrible things by radical homosexual extremists. At this point I did what I do, which is engage the public and defend my family. I wanted to share my belief that the whole Marriage Amendment process was a sham and that the public was being deceived."

The plot thickened with Howey Politics. I'll let Sen. Delph describe this: "That previous weekend when I was on Twitter and in communication with Sen. Merritt, I told him I wasn't coming back until Senator Long publicly apologized for his public comments in my media market. Brian Howey with Howey Politics openly speculated within two hours on his website from 'sources unnamed' that the theme of my news conference was an announcement I was leaving the caucus. After Sens. Long, Merritt and Hershman asked me to not attend this past caucus, Brian Howey was notified, and he shared almost verbatim the conversation I had with Sens. Long, Merritt and Hershman at State GOP headquarters. I am including with this letter an email I received from Brian Howey documenting this."

HPI's informed and reliable sources are confirmed.

And them conspiracy: "Mickey Mauer, former Daniels Commerce secretary and IBJ owner, underwrote most of my Democrat opponent's campaign providing free office space and cash. He wrote several times that I had been kicked out of caucus. And following my victory, and in my attempt to put all of this behind me by showing up at the Indiana State Republican Chairman Tim Berry's caucus, I am told that I am not welcome back into caucus until I apologize. So if you were me, what would you think? In military intelligence, we call this link analysis. This was an election battle against an enemy like the Viet Cong."

The Viet Cong? Gov. Kernan and Sen. Paul might quibble with this comparison.

Delph concludes by saying: "My conscience is clean and Team Delph won reelection in 2014 against multiple enemies or opponents. We have another election cycle in 2016 and I am not planning on being on that ballot." This is puzzling, because Delph's term doesn't end until 2018. Apparently he is not planning to run for Congress, governor or (relax Greg) attorney general.

"My life focus is shifting a bit from the political world and my priorities are being rebalanced," Delph concluded. "For that I am thankful."

Amen.

Time to process. I think I'll take the Ho Chi Minh Trail over to the Winner's Circle and have a slo gin fizz. ❖

Power 50, from page 1

election season, and, of course, the potential presidential/gubernatorial options facing Gov. Mike Pence in a scenario that has echoes of 2011. Pence casts an outsized shadow over the Hoosier political scene this year, in part due to his policy initiatives that now include a constitutional balanced-budget amendment (we're only a little over a decade away from the "smoke and mirrors" era of biennial budgeting). But the worst kept secret is there are presidential ambitions to weigh, just as there were with Gov.

Mitch Daniels four years ago.

Two other dynamics will emerge in the pages to follow. One is the Republican takeover of Capitol Hill, which has created an array of new opportunities for our congressional delegation. The second is the virtual domination by the Grand Old Party here on the Hoosier prairie. The next two years will be a critical time period if Indiana Democrats are going to reassert themselves, or sink lower into super minority status. The super majority Republicans are crafting policy, Democrats are soul-searching, recruiting and looking for avenues to begin their comeback.

These subplots will play out on Capitol Hill, at the

Indiana Statehouse and in mayoral races across the state over the next 12 months.

To our subscribers and readers, this is an annual exercise that we believe allows you to take stock in the political and policy processes that help define our state. Our team cannot thank you enough for your patronage and faith in our professional journalism that has continued to evolve with the media technologies at hand. We believe Howey Politics Indiana offers our readers topical news, analysis and across-the-spectrum commentary in unrivaled fashion. In doing so, we continue to help explain and define this, the golden age of Indiana politics.

Here is the 2015 Howey Politics Indiana Power 50:

1. Gov. Mike Pence: Since 1999, the Indiana governor has almost always occupied the top rung on the Power 50, and much like we witnessed in 2011, the decisions Mike Pence makes next spring will have vast implications for the Indiana political establishment and, perhaps, the nation. First, Pence must successfully conclude his second biennial budget, one in which he promises will be an "education session." Upon conclusion sometime on or near April 30, Pence is expected to gather his family and close friends and make political decisions for 2016. The easiest path would be to reaffirm a reelection campaign for a second term, in which he would be favored. Pence's own actions over the past year reveal a second path and that would be toward the 2016 presidential nomination. At age 55, he finds an open White House and no clear favorite for the GOP nomination. He might not find such a scenario again in his political career. Such a decision might have been easier had Jeb Bush and Mitt Romney not anted up for this cycle, but both have and for now there is the specter that one of them might emerge as a frontrunner. But another scenario exists where neither catches fire, and neither corners the top-tier donors. This is where in May, Pence could enter the race as a new face and find a path up the middle, to use a football analogy. The governor has power bases in Congress, among governors, and with social conservatives. He has a potential money font with the Koch Brothers, who have not settled in either the Bush or Romney camps. Pence could find himself as an acceptable option across wide spans of the GOP. The governor is an expert communicator, though he has purposely constricted himself to a tight set of talking points. His staff, whether at his direction or not, has not made him as accessible as he had been when in Congress, which in our view is a mistake. Letting Mike Pence be Mike Pence while working crowds and town hall forums is to find a respected leader



whose retail political skills are exemplary. Gov. Pence has tightened up his policy operation. He has articulated a steady path on workforce development, and forged a new way when it comes to Medicaid expansion with his Healthy Indiana Plan 2.0. A decision by the Obama administration to accept HIP 2.0 places Pence on the cutting edge of market-based health care in the era of Obamacare, and a rejection sets up a potential national showdown between the states which Pence views as innovative laboratories, and a federal government that is widely loathed. Gov. Mitch Daniels took the well-traveled path when it faced this fork in the road four years ago. Pence finds himself at a similar station. When it comes to presidential politics, the variables are so extraordinarily wide that a potential candidate has to be secure in his bearings, and with an executable plan, hope that the unpredictable events slide in his direction and create a date with destiny. (Note: The

Republican National Committee announced the national convention will take place July 18-21, 2016 in Cleveland.)

2. House Speaker

Brian Bosma: The speaker finds himself at a crossroads that are only increasing his already vast influence. He has presided over a 71-member caucus with authority. He has been a transparent reformer, who has brought the legislative process to the far corners of the state.

He has been inclusive, bringing in Democrats to committee chairs and co-authoring legislation with his Democratic counterpart Scott Pelath. Over the past two decades in House GOP leadership, he has personally recruited many of its rising star members and has raised upward of \$25 million. In a post-Pence era, Bosma is likely to emerge as the alpha figure, simply because his House network affords him a huge bank of IOUs. Bosma has been accessible and has a canny ability to let the policy levers work, even as public opinion shifts, while not overruling his base or potential rivals.

3. U.S. Sen. Dan Coats: He has many different avenues to exert influence in the new Congress. As a member of the Foreign Affairs Committee, he has weighed in on policy toward Iran, North Korea and the radical Muslim movement ISIS. As a member of the Senate Finance Committee, he'll be able to stake out positions on tax reform and develop a niche in that overarching debate. He recently was named chairman-designate of the Joint Economic Committee, where he has a platform to work on a range of economic issues from stagnant wages to sluggish growth. He's also a member of the Intelligence Committee, which puts him at a hot nexus of policy and politics, and recently joined the Whip Team, which puts him

close to leadership. If Coats runs for re-election – and at this point we’d be astounded if he didn’t, given the GOP’s majority status – he will have plenty of opportunities to develop signature issues.

4. Joe Hogsett:

With his candidacy and the lack of a top-tier Republican to fill the big shoes of Mayor Greg Ballard, Hogsett appears poised to return Indianapolis to the Democratic column in November. Troy Riggs and Scott Keller are the latest Republicans to take a pass on this race. This has huge political implications, likely to become the cornerstone in the Democratic Party’s attempt to make a comeback after watching Republicans forge super majorities in the Indiana General Assembly, take control of the Statehouse and the Congressional delegation. Indiana Democrats have largely been relegated to urban areas, and cities like Indianapolis, Terre Haute and Evansville, under the tutelage of Republican mayors, is the first barrier they must overcome. Hogsett leads this process.



5. Senate President David Long:

Last session Long deftly handled the same-sex marriage ban amendment once it crossed over from the high-profile drama in the House. He correctly predicted the federal courts would soon make it all a moot point. Through all this he quickly dealt with a very public challenge to his leadership and the confidentiality of his members’ caucus meetings. Coming off an election in which the Republicans’ Senate super majority grew to 40-10, Long is firmly at the helm. Those irked by his decisions still need his ear far more than he theirs. For this session Long has made a special point of softening caucus rhetoric regarding teachers and making K-12 funding a top priority. The Fort Wayne Republican has also indicated a strong desire to bring Indiana in line with most states by making the superintendent of public instruction an appointed rather than elected position. Also, he could help make but definitely break the latest attempts at non-partisan redistricting.

6. U.S. Rep. Luke

Messer: He has taken the opposite approach of U.S. Rep. Marlin Stutzman in shaping his congressional career. He has quickly become part of the establishment by being elected



chairman of the House Republican Policy Committee. This perch provides Messer with an opportunity to shape the party’s approach to every issue and help decide which ones make it onto the agenda in the first place. After the ballot on Boehner’s speakership, which included an astounding 25 votes against the incumbent, he issued a statement telling the caucus to “put politics aside, unite as a party and get to work.” It will be worth watching what Messer does to make that unity a reality and whether

it will lead to clashes with Stutzman.

7. State Sen. Luke Kenley:

For years viewed as the (final) gatekeeper of the budget, Kenley has always stood on the side of strong fiscal caution in spite of rosy economic or revenue projections. Having dealt with previous budgetary sessions in which tax collections did not pan out, expect Kenley’s prudence to demand flexibility until late April and that there be room for a healthy balance surplus. On the flipside, he has remarked on several occasions the state must find the means to invest more in education and transportation infrastructure.

8. Ways & Means Chairman Tim

Brown: It goes without saying the chairman of Ways & Means will wield considerable power during a budgetary session. Brown handles the bombardment of appropriation requests with the kind of calm and collectedness one would expect from an ER physician. Competing funding priorities are triaged. He has the anatomy of the state’s finances and programs committed to memory, which is uncannily encyclopedic. School funding formula revisions this session will have his definite imprint. If Bosma were to pursue other political opportunities, Brown tops the short list for the next Speaker.

9. U.S. Sen. Joe Donnelly:

The Granger Democrat will be the focal point of the Indiana congressional delegation in 2015. Donnelly has shown a willingness to back legislation favored by Republicans, such as a bill he has reintroduced that would define fulltime work as 40 hours under the health care reform law. With Republicans holding 54 Senate seats, they will need to attract at least six Democrats to break filibusters. “Bring good, common sense bills, [and] I’ll be with you,” Donnelly said he told Senate Majority Leader Mitch McConnell, R-Ky. “If you get into the crazy, partisan stuff, I’ll take a pass.” That puts Donnelly in the sweet spot as a conservative Democrat, a role that he has indicated that he will relish and also one

he'll likely highlight in campaign ads in 2018. He could become the moderate Democratic antidote to Sen. Elizabeth Warren, D-Mass., the left-wing firebrand. And Donnelly in a future veepstakes is not a far-fetched notion.

10. Lt. Gov. Sue Ellspermann: The LG is at a fascinating station when it comes to the various scenarios that might emerge in 2015 and 2016. She is sharply intelligent, has worked on the cutting edge of business and education technology, is deliberative and has moved adeptly in complicated forums, as she did this past year when she chaired a transportation committee. Her political career as been on a meteoric arc. When freed from gaveling Senate sessions, she traveled to all 92 counties and, if repeated, will allow her to nurture her own statewide political base. She has another network available via the influential Lugar Series. While some view Ellspermann through the lens of former Lt. Gov. Becky Skillman, who was unprepared to assume the gubernatorial mantle following two terms in office, Ellspermann shows signs of deliberately laying a groundwork that will afford her a vivid political future. The most fascinating scenario would be Gov. Pence opting for a presidential run. While Speaker Bosma might have institutional and tenure advantages, Ellspermann would be expected to position herself as Indiana's first female governor in, potentially, its bicentennial year. A second, remote scenario might have Pence passing on a presidential run, or running and, failing to catch fire in Iowa and New Hampshire, opt for reelection prior to filing deadline. He would be on many veepstakes lists and, if lightning strikes, find himself on the GOP ticket. A replacement nominee would be selected by the 18-member Indiana Republican Central Committee, where Ellspermann has allies.

11. John Gregg and Baron Hill:

The likely Democratic gubernatorial nominee, and possibly its U.S. Senate nominee in 2016, comes out of this tandem. Neither was willing to discuss in any detail what their political options are this past week, though Gregg is acting like a candidate who wants a second shot at Gov. Pence. Gregg has filed an exploratory committee and is revamping his website. "I've been encouraged to run," Gregg said Wednesday

morning. "I've been in Southeast Indiana. I'm going to Washington. I've spoken to my old consultants and some new people. I'm doing things a candidate should do." In 2014, Gregg made between 15 and 20 campaign stops for local and legislative candidates and that continued last weekend when he was at the side of State Rep. Gail Riecken when she kicked off her Evansville mayoral campaign. If Gregg opts for a second gubernatorial run, the most crucial building blocks would be forming a campaign team from people within of Indiana. His 2012 campaign imported campaign talent and missed out on state options that ended up bolstering other campaigns. A second huge question for him is, who's his Nancy Jacobson, who was Evan Bayh's longtime uber fundraiser? Hill told HPI on Wednesday that he is still gathering information and is receiving encouragement on the governor's race. Hill said he would make a decision within the next quarter or so and possibly sooner. Hill is the former congressman who lost his seat in 2010 to Rep. Todd Young. He has run credibly statewide, but that was a U.S. Senate race in 1990. He has been out of the political limelight for four years, and he'll have to work harder than Gregg to outflank him for the



Evansville Mayor Lloyd Winnecke (top) sitting at the State of the State address with Gary Mayor Karen Freeman-Wilson and Bedford Mayor Shawn Girgis. Below, Rep. Riecken kicks off her Evansville mayoral bid with Chairman Zody and John Gregg watching.



gubernatorial nod. If Gregg can consolidate his gubernatorial support, many Hoosier Democrats will press Hill to challenge Sen. Coats.

12. Evansville Mayor Lloyd Winnecke: While Indianapolis almost certainly will end up in the Democratic city hall column with Hogsett yet to see a viable Republican contender, the most intense mayoral battle is shaping up in the Pocket City. Winnecke is one of the Republican mayors leading a Democratic city, where there is only one Republican on the city council. He has a big war chest of more than \$300,000 and expects to raise more than \$1 million. His favorability in 2014 was north of 70%. Evansville Democrats appeared divided and Winnecke's 2011

opponent, Rick Davis, tragically passed away. But this all changed when State Rep. Gail Riecken jumped into the race last weekend. Indiana Democrats will almost certainly pump resources into her race. Winnecke has had some great policy victories in 2014, including the new Indiana University medical school that will be built downtown, but he's also had some challenges, including the collapse of a downtown hotel deal.

13. State Rep. Gail Riecken: Along with Hogsett, Riecken represents an opportunity for Indiana Democrats to begin regaining some of the traditional territory they've lost during the Daniels/Pence era. She is a former Evansville councilwoman, ran unsuccessfully for Congress, then forged a long career in the Indiana General Assembly. With the continued diminished clout the House Democratic Caucus has, Riecken's move to reclaim a city hall in this Democratic city is a critical component to any Indiana Democratic comeback. Sources tell HPI that Riecken's goal is \$500,000 and she hoped to have \$100,000 committed by now. The fact that U.S. Sen. Joe Donnelly, State Chairman John Zody and 2012 gubernatorial nominee John Gregg were in attendance at her campaign kickoff last Saturday is indicative of how important this race is for the state party. Look for Democrats (and Indiana Republicans for that matter) to pour resources into this race. During the legislative session it's worth watching how both candidates support a new medical education facility in downtown Evansville. Winnecke and Riecken both support it passionately and they're seeking state funding for it. They will be flexing their muscle to see who can do most for the project that everyone in this part of the state supports.

14. U.S. Rep. Todd Young: The Bloomington Republican saw his stock rise when one of his bills, the 40-hour-week reform to the health care law, was among the first that the House overwhelmingly approved. He has adeptly used his seat on the House Ways & Means Committee to establish himself as one of the most thoughtful members of the Indiana House delegation and a rising star in the GOP caucus. He's in a position to work his way into House leadership, if he chooses, or at least become a key asset to leadership. He also will have a lot of opportunity on Ways & Means to insert himself into the tax reform debate and take up other issues that will set him up for a potential Senate run later in his career. He has talked about becoming a "policy entrepreneur." His electoral security will give him a chance to show everyone what that means in

the new Congress.

15. U.S. Rep. Susan Brooks: She is developing a strong policy portfolio. The former deputy mayor of Indianapolis and U.S. attorney for the Southern District of Indiana spent her previous term in Congress establishing herself as a lawmaker who understands the complex challenges posed by terrorism, when she served on the Homeland Security Committee. Her thoughtful approach and low-key manner probably led to House leadership appointing her to the special committee on Benghazi. Republicans want the panel to get to the truth about the tragedy in Libya but not set off its own political bombs that benefit former Secretary of State Hillary Clinton. In the new Congress, Brooks has obtained an appointment on the influential and lucrative Energy & Commerce Committee. She seems to have a green light to work her way into leadership in the not-too-distant future. She could be part of a veepstakes discussion in 2016.

16. Supt. Glenda Ritz: The first-term Democratic superintendent represents the Democratic toehold in the Statehouse constitutional offices and Republicans ranging from Gov. Mike Pence to those in the legislature are taking aim at her current portfolio and her office. There is legislation that would remove the superintendent from automatically chairing the State Board of Education, and other bills that would make her office a gubernatorial appointment instead of elected, beginning in 2021. Ritz is expected to seek a second term, and she has maintained an enthusiastic base among state Democrats and the network of educators who helped propel her to her upset victory over Republican Supt. Tony Bennett in 2012. She can expect a vigorous challenge from a Republican who has yet to surface.

17. Fort Wayne Mayor Tom Henry:

The Democrat is seeking his third term and faces a likely challenge from City Councilman Mitch Harper. Henry has cited completion of Harrison Square, the City Light lease settlement between the city and Indiana Michigan Power, creation of the Legacy fund, the purchase of Aqua Indiana's southwest water utility, the Ash Skyline Plaza development project, the merger of Fort Wayne and Allen County 911 communications services, expansion of the 311 call center and the SmartGov initiative to make government more responsive, according to the News-



Sentinel. At his campaign kickoff earlier this month, Henry was particularly optimistic about Fort Wayne's economic future, citing BAE's decision to stay in Fort Wayne. He said \$20 million will be devoted to improving roads and building up neighborhood infrastructure this year and next. He also said he plans to develop more walking and biking trails for a fitter Fort. Currently, Fort Wayne has about 80 miles of trails, and he would like to expand to 100 miles. "No other city is near that," he told the News-Sentinel. Henry, a heavy favorite for reelection, would be the first Democratic mayor to serve more than two terms since Charles Zollinger (1873-1885) who served six terms.

18. U.S. Rep. Todd Rokita: The former Republican secretary of state can be rambunctious, exhibiting an aggressiveness that can be a political asset in terms of fundraising and pounding a message but also a liability when it comes to building the working relationships required to break into the leadership ranks. As a member of the House Transportation and Infrastructure Committee, he can easily insert himself into the highway-bill debate and also work on road projects that build political capital at home. His position on the House Budget Committee will ensure that he can continue to comment credibly on deficit issues, while his continuing role on the House Education and Workforce Committee will keep him in the education-reform debate. He also has an enormous campaign war chest that would come in handy in a Senate run. One troubling sign for Rokita is staff stability. There has been far more turnover there than most of the other delegation staffs and people are noticing.

19. Hammond Mayor Thomas McDermott Jr.: The three-term mayor is seeking reelection and faces a potential primary race against City Councilman Homero "Chico" Hinojosa, who has announced a candidacy. McDermott will be heavily favored in the primary, and has essentially taken himself out of a potential gubernatorial race. "If I say I'm running for governor, I've got to go all-in. I've got to raise \$20 million and I've got to travel the state of Indiana. So my announcement is I'm running for re-election as mayor, a job that I love," McDermott told the NWI Times when he kicked off his reelection campaign. As for Hinojosa, he said, "I think Chico comes out at the last minute and files for 6th District councilman and runs for reelection. That's my prediction." Once the primary is over, and McDermott is not expected to draw a top-tier Republican challenger, it will bear watching whether he reassesses a gubernatorial run. On that front, McDermott believes that his Lake County base and a concerted effort



Sen. Hershman (right) with Reps. Jud McMillin and Bill Friend. (HPI Photo by Brian A. Howey)

in Indianapolis would make him a formidable candidate in a Democratic gubernatorial primary.

20. Purdue President Mitch Daniels: Despite transitioning three years ago into academia, Daniels maintains significant clout in political circles around the state. He is also becoming a prescient voice on higher education, as his initial letter to the Purdue community revealed in January 2013, and another released on Wednesday (see Matt Butler's column on pages 12-13). Our Power 50 reader survey had Daniels finishing fifth, above both U.S. senators, which gives you an indication of how many Republicans still view him. And we often hear flashes of wishes that he would run for president or seek another term as governor. We don't expect either to happen, but he remains a compelling political presence, as the recent Don Cogman book, "Run Mitch, Run," indicates.

21. State Sen. Brandt Hershman: Ever the tax reformer, Hershman will carry Gov. Pence's recently announced balanced budget amendment legislation this session. He was front and center leading the repeal of the business personal property tax (BBPT) last year. Though forced to settle for a local option, Hershman chaired the resulting study committee, which took a much-needed look into the state's local taxation. Expect his continued push for tax simplification and a small business exemption to the BPPT this session. Hershman is the likely heir apparent to Senate Appropriations Chairman Luke Kenley.

22. FSSA Commissioner John Wernert and Deputy Commissioner Michael Gargano: With the U.S. Department of Health and Human Services' pending decision on Gov. Pence's Healthy Indiana Plan 2.0, it will be up to Wernert and Gargano to oversee its implementation if approved, or to come up with a Plan B if it isn't. Either way, there are billions of dollars at stake here, as well as the potential access to health services for hundreds of thousands of Hoosiers. Gargano played a key role in the development of the successful hybrid plan for FSSA after the IBM fiasco, so he is a critical player in either scenario.

23. Chief of Staff Jim Atterholt: The former Republican legislator took the helm of Gov. Pence's policy operations, and multiple Statehouse sources tell HPI that the administration is better prepared for the governor's second biennial budget session.

24. State Sen. Dennis Kruse and State Rep. Robert Behning: The two education committee chairs in their respective chambers will play key roles in the advancement of Gov. Pence's education agenda in what he has defined as his "education session."

25. State Rep. Tom Dermody and

Sen. Ron Alting: The two public policy chairs in the House and Senate will preside over some of the most conspicuous legislation in this legislative session, including a move to approve Sunday alcohol sales.

26. U.S. Rep.

Larry Bucshon: The Newburgh Republican has turned the Bloody Eighth into a quiet congressional outpost, an accomplishment that few expected by the heart-doctor-turned-politician when he first ran for the seat in 2010. Not only has he throttled Democrats seeking to oust him, he also has beaten back Tea Party conservatives who have tried to primary him. He's a conservative himself but isn't scary about it, an approach that is helping him make himself at home serving Southwest Indiana. His medical expertise makes him an opponent of Obamacare with added credibility. In the previous Congress, he parlayed his science background into a subcommittee chairmanship on the Science, Space & Technology Committee. He brought state university officials to Washington to highlight their research and help them find funding. He also used his Transportation Committee position to promote I-69 extension. In the new Congress, he has been rewarded by House leadership with a position on the House Energy & Commerce Committee, a plum panel. And we loved his statewide tour with Chairman Brown last year to survey Indiana health needs and challenges..



Rep. Larry Bucshon (left) with Ways & Means Chairman Tim Brown. (HPI Photo by Brian A. Howey)

27. U.S. Rep. Jackie Walorski:

This sophomore Republican developed her legislative chops in the previous Congress by promoting a bill that targeted sexual harassment in the military, attaching it to the defense authorization measure. She helped show Republicans how they can address social issues without being portrayed as unsympathetic or, worse, hostile toward women. It's a lesson her male GOP colleagues should learn, if they want to reduce the gender gap in the next election. At home, she is in a similar position to Rep. Larry Bucshon. She has seemed to tame a politically volatile district. In doing so, she has perhaps taken a bit off her previously hard-charging personality and become more approachable, a move that may help her connect to more constituents. She preaches bipartisanship. Voters will watch whether she follows through on that commitment now that Republicans are in a stronger position in the House to exert their political will. Her committees set her up nicely to defend the seat. She sits on Veterans' Affairs, Armed Services and Agriculture.

28. Terre Haute Mayor Duke Bennett:

The two-term mayor (and that is quite an accomplishment itself in a city that in modern times has devoured incumbent mayors) is seeking a third term and is burnishing his credentials by heading the Indiana Association of Cities and Towns this year. That means that Bennett will be IACT's point man in the General Assembly. Along with Executive Director Matt Greller and Jennifer Simmons, IACT has deflected much of Gov. Pence's business personal property tax repeal, and now finds the governor proposing some economic incentives for cities. That tells us that Bennett and IACT have

found traction in their argument that it will be regional cities that are the economic engines in the state. Bennett is facing a challenge from Democrat Vigo County Councilman Mark Bird, who announced his candidacy this past week.

29. South Bend Mayor Peter Buttigieg:

The Democratic mayor is seeking a second term after completing a U.S. Navy deployment to Afghanistan last year. He should easily be reelected, though his administration has had a former chief of staff face legal issues, and the city is mired in an expensive legal showdown over a wiretapping case. Buttigieg is widely viewed as a rising star in the party, though another statewide run on his own initiative is not likely until 2020. Buttigieg will almost certainly surface on Democratic lieutenant governor lists in 2016. He ran unsuccessfully for state treasurer against incumbent Republican Richard Mourdock in 2010.

30. Indianapolis Mayor Greg Ballard:

It's amazing that Circle City Republicans haven't sent a huge, emotional delegation to Ballard's office begging him to seek a third term. In announcing his retirement from the City-County Building, Ballard has left a void that will almost certainly send Indianapolis back into a Democratic power orbit. And it comes as the city is about to make fantastic leaps across its already magnificent downtown, with development of the old Market Square arena site that includes a new Cummins Engines building, as well as the evolving criminal justice center to be built at the old GM Stamping Plant site. Ballard has left an indelible imprint on this city, ushering in a bicycling and green energy culture. He would have faced a tough race from Hogsett if he had decided to seek a third term, but Ballard had political momentum that could have resulted in a third term. Perhaps the most apolitical mayor in modern Hoosier history, Mayor Ballard will be missed.

31. U.S. Rep. Marlin Stutzman:

The Howe Republican voted against House Speaker John Boehner, R-Ohio, when the new Congress opened dur-

ing the first week of January. So far, he doesn't seem to have suffered any retaliation, maintaining his seat on the House Financial Services Committee, a coveted position for its fundraising potential, and also getting an appointment to the Budget Committee. But Stutzman may not have to worry too much about garnering campaign cash. With his consistent jabbing at House leadership, he is carving a niche as a Tea Party conservative whose primary focus is to please his base. That may be all he needs to do to maintain his seat. It also means that he is unlikely to exert much influence as a legislator. Is that a tradeoff that voters in northeast Indiana will accept?



32. Kokomo Mayor Greg Goodnight:

The two-term mayor will seek reelection, and will almost certainly end up on 2016 lieutenant governor short lists as a ticket emerges. Goodnight has left an emphatic imprint on downtown Kokomo, which is amazing given that the center of the largest Chrysler industrial complex on the globe nearly liquidated into bankruptcy just as he was taking office. There are new trails, parking garages, a YMCA and apartment complexes going up in the City of Firsts, in a spate of development. Goodnight is finding roadblocks to his proposed downtown baseball stadium from federal and state officials, which is likely to generate headlines in the coming year, and he has bitterly feuded with the Republican establishment. Goodnight faces a reelection challenge from Republican Howard County Auditor Martha Lake.

33. State Sen. Jim Merritt: The majority caucus chairman, Merritt is the Utilities Committee chair and has played key roles on issues ranging from revamping the 211 system, to life-line and youth suicide legislation. He passed on a run for Indianapolis mayor in 2015, but would be expected to weigh future state ticket runs in a post-Pence era.

34. Democratic Chairman John Zody:

With the Indiana Democratic Party slippage continuing at virtually all levels in the 2014 mid-terms, Zody will potentially play a key role in the party's revival, or face the consequences if Indiana continues on its path toward a one-party state. Zody must be active in recruiting mayoral candidates, which is the cornerstone for reviving the party. This means picking up key media market city halls in Indianapolis, Evansville and Terre Haute, while maintaining Fort Wayne. But even more critical will be Zody's recruitment of congressional and legislative candidates for the

2016 cycle.

35. Pat Kiely: Few figures in modern Indiana politics and policy have been at the kind of crucial cross-roads as Kiely, who will step down as president of the Indiana Manufacturers Association. Kiely (pictured left) was a young chairman of the House Ways & Means Committee during the Orr administration, helping to plug a towering budget deficit. His modus operandi in the House was that of a shrewd and cunning tactician. Moving to the IMA in the most manufacturing-intensive state in the union, Kiely has been critical in keeping

this vital economic sector relevant as many forecasted a dramatic shrinkage, particularly in the 2008-09 near collapse of the domestic auto industry that could have cost the state hundreds of thousands of jobs. Throughout his career, Kiely has been a confidant to governors of both parties, and leaves an indelible imprint on the state's economic fortunes. He will be hard to replace.

36. State Rep. Jud McMillin: The Republican majority floor leader has been entrusted in leadership by Speaker Bosma. It appears the investigation out of Lawrenceburg is going nowhere, and McMillin is the emerging power center from the class of 2010.

37. DWD Commissioner Steve Braun:

The former Republican state representative was tapped by Gov. Pence to head the Department of Workforce Development, with the charge energizing the governor's prime mission of creating a modern workforce to match the needs of the array of industries ranging from life sciences and orthopedics, to advanced manufacturing, recreational vehicles, logistics, agriculture and steel production. The Harvard-educated commissioner will be a key player in one of the governor's most important areas.

38. Attorney General Greg Zoeller:

The popular two-term Republican has played an outsized role in challenging Obamacare while defending some of the most controversial social legislation. He is expected to seek a third term in 2016, and would be in the conversation for governor in a post-Pence era.

39. Eric Holcomb: Sen. Coats' co-chief of staff will play a key role in what we expect will be a ramp up to the senator's final campaign. The former Indiana Republican Chairman and deputy chief of staff to Gov. Daniels is vital to maintaining Coats' ties to the state and local parties. You only need to go back to 2011-12 to see what can happen to a Hoosier U.S. senator if the ties to the grassroots go into atrophy. If Coats opts for retire-

ment, there are some who will urge Holcomb to seek the seat himself.

40. Bill Smith: The long-time senior staff aide to Gov. Pence and his congressional and first gubernatorial chief of staff will play a critical role in either a 2016 reelection campaign or a presidential race.

41. Republican Chairman Tim Berry: The former state auditor and treasurer presided over the party that continued to make emphatic gains not only in the Indiana General Assembly, but at the county level in Southern Indiana. As Berry told HPI, a number of county officials along the Ohio River were reelected in 2014, after making initial and historic inroads in 2010. The GOP has transitioned to its new headquarters at 101 Ohio Street, and it has maintained a decent balance.

42. Dean White: The Lake County hotel developer has been writing mega-checks to the campaigns of Gov. Pence, and will continue to do so with either a final Pence gubernatorial bid or a presidential campaign.

43. John Hammond III: The Republican national committeeman is a key player in state politics.

44. U.S. Rep. André Carson: The Indianapolis Democrat was named to the House Permanent Select Committee on Intelligence by the Democratic Minority Leader Nancy Pelosi on Wednesday. This select committee is charged with oversight of the United States Intelligence Community, which includes the intelligence and intelligence-related activities of the Central Intelligence Agency, National Security Agency, and more than a dozen other elements of the US Government, as well as the Military Intelligence Program. Carson is the first Muslim to sit on the committee. "I am honored to be selected to serve on this distinguished committee at a time when our country continues to face great challenges at home and abroad," said Carson. "This Committee plays a critical role in the fight against terrorism and the protection of our national security. As a member, I am committed to keeping Hoosiers and all Americans safe, standing up for their privacy, and ensuring our intelligence agencies are operating effectively." He already serves on the House Armed Services Committee and worked for the Department of Homeland Security's Fusion Center, the clearinghouse established by the federal government to streamline data sharing between the CIA, the FBI, the Department of Justice and the military.



45. Bob Grand and Brian Burdick: The former is taking the helm of Barnes & Thornberg's national operations, and Burdock is assuming his role here in In-

diana. Both are key players in Indiana Republican politics and will have a voice in the emerging 2016 presidential race.

46. Lacy Johnson: The IceMiller partner has an out-sized voice in Marion County Democratic politics, and this will continue if, as expected, Joe Hogsett reclaims the city-county building for the party after eight years of GOP rule under Mayor Ballard.

47. U.S. Rep. Pete Visclosky: He is the dean of the Indiana congressional delegation, and despite the new minority status in the U.S. House, this Democrat has exerted considerable clout throughout The Region, pushing for an expansion of the South Shore line. His Marquette Plan that has turned much of the industrialized Lake Michigan shoreline into a series of parks, beaches and trails will be Visclosky's enduring legacy.

48. Betsy Wiley: The former deputy chief of staff for former Gov. Mitch Daniels is now president and CEO of Hoosiers for Quality Education. While this organization has been around for several years and played a key role in funding legislative and Congressional races, with the demise of Gov. Pence's CECI, the thrust of education policy outside of the Statehouse can be found here.

49. State Rep. Greg Steuerwald and Sen. Brent Steele: The inevitable tweaks to the sprawling criminal justice reform package that goes into effect next July will fall on these two judiciary committee chairs in their respective chambers.

50. House Minority Leader Scott Pelath: The sharply neutered legislative Democrats face towering Republican super majorities. Pelath has emerged as the key party spokesman on a range of issues at the Statehouse, and will be vital over the next two years in recruiting and funding House candidates as he attempts to revive a caucus with a mere 29 members.

Honorable Mention

Senate Minority Leader Tim Lanane
 Club for Growth President David McIntosh
 Minority Floor Leader Linda Lawson
 State Rep. Mike Karickhoff
 Anderson Mayor Kevin Smith
 Carmel Mayor Jim Brainard
 Bluffton Mayor Ted Ellis
 Elkhart Mayor Dick Moore
 Chamber President Kevin Brinegar
 LaPorte Mayor Blair Milo
 Fort Wayne Councilman Mitch Harper
 John Hamilton Jeff Cardwell
 Jim Bopp Jr. Mike Gentry
 Monica Boyer Richard Lugar
 Jennifer Hollowell Ann Hathaway
 Tim Neese Pat Tamm
 Cam Carter Gary Welsh
 Dan Dumezich Evan Bayh ❖

President Daniels warns of education sector challenges

By **MATTHEW BUTLER**

INDIANAPOLIS – “To your call once more we rally, alma mater, hear our praise.” That’s the first stanza to the Purdue University fight song. Though the Boilermakers might be struggling on the field and court as of late, this alumnus is elated with developments in West Lafayette. They are indeed praiseworthy.



In an open letter to the Purdue community on Wednesday, Purdue President Mitch Daniels conducted a thorough assessment of where the institution is currently, in what direction it is heading, and how it compares with its peers. For anyone interested in the direction of our state particularly and

higher education generally, I cannot recommend reading it more highly.

The problems facing the higher education sector are legion and show no indication of abating. Daniels catalogues the daunting facts: Tuition inflation is rampant; national college debt is at an all-time high, for most averaging \$33,000; recent graduates are having trouble finding work commensurate with their skillsets and by extension struggle in servicing their debt; and, increasingly, Americans are losing faith in the value of a college degree.

“The percent of Americans who believe that a college degree is ‘very important’ has plummeted, from 75% in 2010 to 44% today,” writes Daniels. He appreciated most of these issues and the necessity of drastic reforms upon assuming Purdue’s presidency. There he found an institutional culture already uniquely equipped to meet these challenges.

When Purdue alumnus Neil Armstrong (AE ’55) dedicated the eponymously named Hall of Engineering on campus in 2007, he related his experience as an engineering undergraduate. Armstrong was instilled with tenets that Daniels, the former corporate strategist, national budget director, and state governor, understands. “Engineers have to do everything that scientists do, but you have to do it on a budget,” Armstrong recounted. “We learned about the uniqueness of engineering. Engineering is about what can be. Engineers strive to make efficient products that are stronger, lighter, less

expensive, use less fuel. In short, engineers spend their lives making things better.”

You cannot improve what you cannot measure. And, like many things, if it is beyond the human capacity of hard and fast metrics, then you must at least constantly hone your qualitative description of the ideal. Nebulous goals are rarely met.

President Daniels and his predecessors have applied these principles to Purdue for decades. First, there are recent global university rankings. Purdue has maintained its sterling reputation. U.S. News ranks Purdue 20th among American public universities and the overall engineering program eighth. All 11 of the engineering specialty majors rank within at least the top 17 in the country. The Economist ranked the Krannert School of Management 15th in the U.S. and 30th in the world; the Financial Times placed it 13th domestically. The Princeton Review ranked a Purdue degree the eighth “best value” in the country, and it was found fourth among “Top 25 Recruiter Picks” by the Wall Street Journal. Kiplinger ranked Purdue the 27th “best value” for in-state tuition.

“Operating now under the banner ‘Higher Education at the Highest Proven Value,’ we have accepted the legitimacy of the concerns now so prevalent, and the responsibility to address them actively wherever possible,” pledges Daniels.

Whereas most American universities scramble to cover rising costs with perennial tuition hikes, Purdue has not in four years. Big Ten public universities’ average cost of attendance per year is roughly \$25,500 and Indiana University’s is nearly \$24,000, while Purdue’s has declined to a little over \$23,000.

Under Daniels, Purdue has led a trailblazing effort to gather data on America’s college graduates. The Gallup-



Purdue Index provides a national basis of comparison in which Purdue can take pride. “As we strongly suspected, we found that, in every dimension Gallup measures, Purdue alumni are thriving in life compared to other college graduates,” writes Daniels.

Purdue comfortably leads the public university average in terms such as “employed full-time” (83%-72%), respectively, “engaged in their work” (44-38), “prepared for life after college (39-25), and “financially

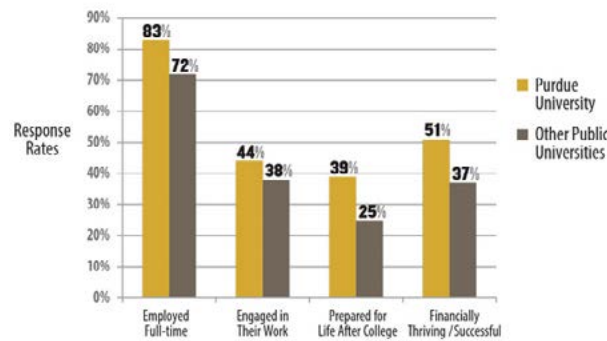
thriving/successful" (51-37). Daniels appreciates the bulk of these numbers are derived from decades preceding his tenure. "Over and over, we receive evidence that student conduct at Purdue is superior to that in other universities," writes Daniels. "[I]t is worth noting that Purdue students are demonstrating a level of character and maturity substantially above that prevailing across American universities in general." Citing comparative excise police incidents, Daniels' disparagement is directed squarely at that other university down south.

Moreover, Purdue was and remains committed to the free exchange of ideas. As Daniels correctly points out, many of our nation's supposedly "prestigious" colleges and universities have demonstrated the opposite. "These institutions disgraced themselves – no weaker term suffices – by capitulating to demands for the exclusion or 'disinvitation' of perfectly reputable visitors invited to speak on their campuses," he writes. "Such censorship in what are supposed to be society's safest refuges of full and free inquiry make a mockery of pretensions to the critical value of diversity."

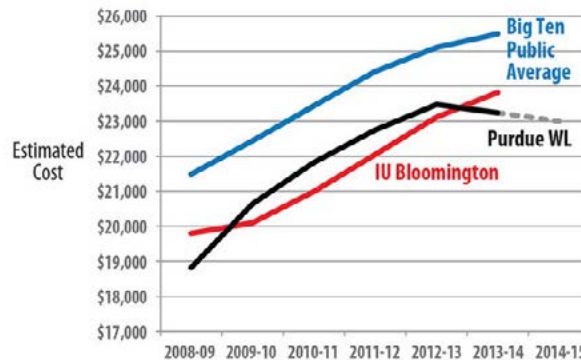
When I was at Purdue even the most controversial speakers were never canceled nor shouted down, this in the immediate wake of 9/11. In light of the recent terrorist attacks in Paris, universities must be in the vanguard of free expression.

As President Daniels writes, "2014 may be judged the year of progress at our university, but to rise above the threatening environment which now envelops our whole educational sector, much more decisive action will be required." He admits the College of Agriculture needs more "all-star" hires; drug development has struggled in getting "top-tier experts." Where new administrative software hasn't reaped the expected productivity gains, the Daniels administration has admitted as much, scraped them, and gone back to the drawing board. Asserting, "new construction will be the last, not the first resort," Daniels has had classroom and lab capacity studied and found Purdue is under utilizing its sprawling facilities. And, quite ambitiously, Purdue is developing a core curriculum that aims to bring "the value that the liberal arts bring, either when studied as a major or in combination with a STEM concentration."

Gallup Purdue Index: Key Findings



Declining Cost of Attendance 2009-15



I would like to close on several points looking to the future of Purdue.

Some legislators have not made Purdue's job easier by tying funding threats to growing out-of-state enrollment and proposing needlessly divisive social legislation that turns prospective faculty and students off to Indiana. The composition of the freshman class reflects its high standards. "The academic readiness of entering students has continued its strong improvement, with the 2014 entering class, though slightly larger than its recent predecessors, again the strongest ever, and again with test scores and overall profiles well above all our sister Indiana public universities," Daniels explains.

President Daniels'

open letter would have been well served to mention that Purdue is an American leader in international student enrollment. In 2013-14 the university had 8,700 international students, the second largest population in the country for public

institutions. Availing itself of top global talent enhances the university's academic reputation, provides a cosmopolitan campus for students and faculty to collaborate and learn, and provides the benefits of a globe-spanning alumni network.

Finally, and admittedly it's controversial, I would argue Purdue's strategic plan should move toward West Lafayette becoming once again the only university campus to bear the name of Purdue. The alphabet soup of regional campuses confuses the rest of the country, let alone the world. IUPUI and IPFW, burgeoning and impressive urban universities in their own right, should have their autonomy and forge their own identities. For example, the University of Southern Indiana became independent from Indiana State University in 1985. Purdue should gradually, but completely, detach itself from all regional campuses, while maintaining its research parks, technology centers, and extension offices across the state. Indiana University might consider a similar course.

"All hail our own Purdue," is the last stanza of the fight song chorus. No matter your alumni roots or educational status, Purdue is "our own" appreciating asset for the state of Indiana. All Hoosiers, and yes even those "Hoosiers," should hail these developments. ❖

Matthew Butler, BA 'With Distinction' Purdue University '04, MA The College of William & Mary in Virginia '06, PhD University of Cambridge '11

Student loans and consequences

By CRAIG DUNN

KOKOMO – Once again, the law of unintended consequences has reared its ugly head and we are all going to pay for it. This installment of “Can This Nation Be Saved From Itself?” deals with the admirable, but flawed, Federal Student Loan Program.

This latest episode has all the ingredients that we’ve come to love in a good old governmental pork barrel program. It has heart-tugging recipients of the largess. It has mega financial institutions lining up to lobby for it. It is supported by the intelligentsia of academia. Mommies and daddies love it. It’s a program that is in big trouble. It eventually hurts those it was intended to help. When government makes a program foolproof, God makes better fools. And finally, but certainly not least, all taxpayers will end up paying for it. Through the nose.



Let’s take a look at how the Federal Student Loan Program was originally supposed to work:

Back in 1965, the Lyndon Johnson administration, as part of its newly launched War on Poverty, worked to pass the Higher Education Act that created most of the student loan programs. It was the conventional governmental thinking of the time that one of the best ways out of poverty was getting an education and that included a college degree.

Banks and savings and loans at the time were reluctant to make education loans to students because students generally had no money, no assets and no demonstrable credit history. They were a credit risk.

In stepped big brother. The Federal Government created a program that allowed financial institutions to lend money to students and Uncle Sam would back the loans in the event of default. Thoughtfully, as opposed to the guaranteed mortgage programs that the government would launch in 1968, the loan program prohibited loan recipients from discharging their debt through personal bankruptcy. This prohibition seemed to be the reasonable counterbalance to the government guarantee. How could anything this sweet go wrong?

Little Johnny Pimplepusher would borrow the money he needed for his room, books and tuition, pay no interest on the loan until he graduated and then pay a low rate of interest and principal from his career earnings until the loan was paid off. All well and good.

Fast forward to 2014. Johnny Pimplepusher’s grandson is now a college student. Let’s see how the student loan program has progressed.

Freddie Pimplepusher is not the most motivated student in the world. He likes to sleep in, play video games, cruise Broad Ripple for girls, eat out every meal and howl at the moon. Where does Freddie find the money to live this lifestyle of the rich and famous? Student loans. Freddie attends community college. He generally signs up for a full load of classes, cancels two of them and then lives out of the class refund and room and board money that he has borrowed on student loans. Freddie has not thought about how he will repay his student loans when he graduates. He is living large with the borrowed dollar.

Is Freddie alone in his misuse of the student loan? Absolutely not. During the Great Recession thousands of people discovered that you could replace lost income with student loan funds. The best part about this taxpayer ripoff is that they didn’t even have to leave the comfort of their homes to cash in on the scam. Online colleges have made larceny as easy as log on, log in and cash out. The average online college student loan exceeded tuition, books and fees by \$2,500 per year according to the website Zero Hedge.

The United States government’s inspector general recently released a report that said that over 42,000 people spent an average of \$5,285 of student loan funds without earning a single college credit. According to the Federal Reserve Bank of New York seven out of 10 class of 2012 graduates used student loans. They left school with an average of \$29,400 in student loan debt. At least they received diplomas.

There is a tremendous economic and social cost being brewed by the purveyors of the student loan mess. Anecdotal evidence suggests that young people are marrying at older ages because of the burden of student debt. Decisions on who you marry are many times being made based on how much of a student loan debt burden you may assume when you say I do. “Yes, he’s tall, handsome, looks like Brad Pitt and will make great looking babies. But on the other hand, he’s got an archaeology degree and 50 grand in student loan debt. I think I’ll pass on the proposal.”

The Pew Research Center reports a record number of Americans have never married. The median age at first marriage is now 27 for women and 29 for men. In 1960, the median age was 20 for women and 23 for men.

Homebuilders report that the age of first-time home buyers has risen due to student debt inhibiting the ability of a young person to qualify for a mortgage. If you don’t have enough money to pay for your student loans in today’s Obama economy, you won’t buy a home, a car or start funding your 401k plan. In short, the economic model that has made the United States so successful could be in real jeopardy over the long run.

What is the solution to this ever-increasing dilemma? I’m not sure there is any quick and easy answer. Like

most government created screwups, it is far easier to get into trouble than out of trouble.

Here are my suggestions for setting this sinking ship aright:

Allow student loans to be discharged in bankruptcy. This would shrink the availability of funds overnight as financial institutions assumed the risk of lending. Less available cash might help the explosive cost increases of college tuition.

Restrict online schools to only lending the amount of tuition and books. Require refunds on college courses to be repaid to lenders directly by the schools.

Require each college or university to teach a one hour for-credit course on responsible student finances in the first semester of a student's enrollment in school.

Punish schools for not graduating their students in four years by reducing the amount of student loans they may make. Why reward bad academic behavior?

The problem of federally guaranteed student loans will only get worse if we do not take immediate action to get this genie back into the bottle, before it's too late! ❖

Dunn is chairman of the Howard County Republican Party.

Van Til awaits his sentence as Bennett gets a wrist slap

By **RICH JAMES**

MERRILLVILLE – It is less than a month now until longtime Lake County political figure George Van Til will be sentenced after admitting to using an employee to conduct campaign work on public time.



Van Til, 67, is a former Highland town councilman, Lake County councilman and five-term county surveyor. He is considered one of the best legal strategists in the history of the county. Sentencing is slated for Feb. 12.

Van Til, who is represented by former Gary Mayor Scott King, and the government filed briefs last week asking the court to be tough or lenient at sentencing.

In conjunction with the filings, the court unsealed a host of letters written on Van Til's behalf asking the court for leniency at sentencing.

Judge James T. Moody, who is on senior status, will do the sentencing.

The letters were written by former and current elected officials, both Republican and Democrat. One of the letters is from former House Speaker Phillip Bainbridge, who also is a former Highland resident. He now resides in Connecticut.

Several letters made reference to former state Superintendent of Public Instruction Tony Bennett. Bennett, a Republican, left Indiana after losing his bid for reelection to Democrat Glenda Ritz in 2012.

Not too long after leaving for Florida, Bennett

came under fire for practices he employed in his Indiana office. Not only was there heavy criticism for his education policies, but also for the way he used some of his employees.

It was learned that Bennett used some of his workers to conduct political activities while in the office on state time.

Ultimately, Bennett was charged with an ethics violation as opposed to being criminally indicted. Bennett was fined \$5,000 and sent on his way.

Some of the scores of people who wrote letters on Van Til's behalf pointed out that Bennett received what amounted to a slap on the hand, while Van Til is facing the possibility of going to prison. The letter writers called the double standard terribly unfair.

In the briefs filed last week, the U.S. attorney's office asked the judge to sentence Van Til to at least 15 months in prison. Van Til's attorney asked the judge to sentence him to probation and home confinement. Van Til also is seeking to pay less in restitution than the \$26,000 being sought by the government. He has been in failing health since resigning from office. ❖

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.

Marijuana reforms face major hurdles

By MAUREEN HAYDEN
CNHI Statehouse Bureau

INDIANAPOLIS – State Sen. Karen Tallian posted details of her plan to allow medicinal use of marijuana on Facebook this week, drawing thousands of supportive comments. The Democrat had given up a years-long push to decriminalize the drug, instead narrowing her focus to making pot a legal painkiller when prescribed by doctors for certain life-threatening or debilitating conditions.



"At least we can make the exception for compassionate use," Tallian said of Indiana's law forbidding marijuana use. "Anyone who has terminal cancer deserves all the help they can get."

But as more states loosen their laws, it may be harder for the lawmaker from Ogden Dunes to make her case. Some potential allies in the GOP-controlled Legislature say reports of problems and pot-related crime in states with liberalized marijuana laws may chill the conversation in Indiana.

"If you look at states that have medical marijuana or have legalized marijuana, they've made a mockery of it," said state Sen. Brent Steele, R-Bedford. "They've actually tainted the well for states that want to take a more legitimate look at this issue."

Steele, the influential conservative who heads the Senate Judiciary Committee, stunned fellow Republicans two years ago when he came out in favor of decriminalizing marijuana. At the time he likened Indiana's pot laws, then some of the toughest in nation, to "smashing an ant with sledgehammer." He argued it was time to rethink the law, including the ban on medicinal use of marijuana.

He's given up the argument, at least temporarily. Steele said he won't co-author Tallian's medical marijuana bill, which represents a blow to the Democratic lawmaker who needs some Republican support just to get a hearing.

Steele cites California and Colorado as two states that rushed to loosen their laws without considering the unintended consequences. Colorado opened the door to medical marijuana dispensaries in 2010, and two years later moved to legalize recreational marijuana. Two neighboring states, Nebraska and Oklahoma, are now suing Colorado, alleging they're being overrun with its marijuana, making it harder for them to enforce their own laws.

Colorado's neighbors cite a recent report that found the amount of Colorado pot seized on highways in the region increased from an annual average of 2,763

pounds between 2005 and 2008 to an average of 3,690 pounds from 2009 to 2013. The marijuana was headed for at least 40 different states.

In California, which passed the nation's first medical marijuana law, critics have cited a rise in emergency room visits due to overdoses of edible marijuana, and they fault regulations that allow holistic healers to dispense pot from thousands of street-corner dispensaries.

Steele said authors of the California and Colorado laws were "stupid" in their approach. "That doesn't make it easier for anybody else," he said.

He fears Tallian's task may be impossible. "That's what she's strapped with: Trying to come up with a bill that's so tight that it can't be made a mockery of," he said. "That's going to be tough for her to do, she's got an uphill climb."

Tallian calls her legislation "conservative" and a "small step" toward legalizing medical marijuana. It would create an agency, the Department of Marijuana Enforcement, that would issue cards to medically eligible users. It also creates an advisory committee to study the effectiveness of the program.

She said the bill allows state research institutions and the pharmacology industry to study the efficacy of cannabis for medical purposes.

The proposal's fate likely lies in the hands of Republican state Sen. Mike Young, chairman of the Senate Corrections and Criminal Law Committee. Young hasn't decided whether to hear the bill, but he, too, is concerned about mistakes made by other states. He's asked his staff to research what happened in Colorado and California.

Young could stall the bill until a future session, to await an Indiana University School of Medicine study on marijuana's impact on the brain. That isn't expected to be completed for at least a year.

Meanwhile, the state Prosecuting Attorneys Council is also calling for more study of liberalized marijuana laws in other states before moving forward. "The smart thing for us to do is to watch how things progress in other states that have changed their marijuana laws," said council executive director Dave Powell.

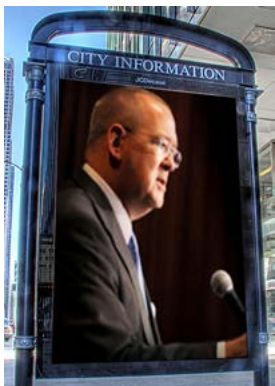
Tallian doesn't think Hoosiers are willing to wait long. On her Facebook page, supporters have posted heart-wrenching stories of family members who suffered through painful cancer treatments and might have found relief through marijuana.

Like Steele, she faults California and Colorado. But she's convinced Indiana can do it differently. "We have the ability to learn from what these other states have done. We don't need to wait." ❖

Flat wages in the wake of the Great Recession

By **MICHAEL HICKS**

MUNCIE – Market polarization, capital investment, health care costs and sticky wages have all contributed to five years of stagnant growth. The stagnation of wages has been a central element of the years since the end of the Great Recession. There are four good economic explanations for this, but they are not especially encouraging.



First, while overall wages have been stagnant, incomes for higher wage workers have grown in many occupations, while wages for lower income workers have not. This is consistent with evidence from the past several decades, which suggests that labor markets are polarizing. Highly skilled workers are in increasing demand, while lower skilled workers are not. This is largely due to technology changes that favor highly skilled workers. If we average the effects, wages are stagnant, even

if some workers are better off and others worse off.

Second, over the past several years we have seen low interest rates that have no real precedent in modern times. Many folks are unaware that interest rates are the price of capital investment. With more than seven years of very low rates, the price of capital investment has never been lower. This has created a huge incentive for businesses to buy labor-saving equipment and technology. One bit of evidence that this is occurring is the astonishing growth of investment within technology firms who supply labor-saving devices.

This keeps demand for workers low and dampens wage growth.

Third, hiring has become more costly across many business types. Here the Affordable Care Act is a clear culprit, making it far more costly to expand a business or increase worker hours. There is even an incentive to let employment slip beneath 50 workers per firm to avoid some of the ACA's provisions. This doubtless depresses wages in the short run, though the long-run effect is less clear.

Finally, and perhaps most importantly, it turns out that wages and salaries suffer from something known as "nominal stickiness." This means that in times of declining revenues, businesses facing a choice of reducing wages or employees almost always will choose to reduce their number of employees. Labor contracts, minimum wages and tradition all lead to this result, even though it may

be hurtful to all concerned. So, the deep drop in demand for goods and services that accompanied the Great Recession may still act to depress wage growth in firms. In other words, we remain in a period where wages are, on average, higher than they should be and so wage growth will remain flat.

All of this offers some insight into the decisions by the Federal Reserve in the coming months. With the unemployment rate dropping, there should be some upward pressure on wages, but with inflation low, it still may take some time to see wage growth. As a result, the Fed will be less worried about a small bout of inflation. This is because inflation acts silently to reduce wages. While the Fed will never publicly say it is allowing inflation to cut wages, the fact that they are delaying interest rate increases suggests that is exactly what is on their mind. ❖

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



The HPI Breaking News App is now available for iOS & Android!



A wonderful life for an exiting columnist

By **DAVE KITCHELL**

LOGANSPOURT – For many of us, there isn't a Christmas season that goes by without about 90 minutes spent sitting, watching an American classic.

"It's a Wonderful Life" rekindles the era of hand-wrapped boxes with gifts from downtown department stores in county seats all over the country. It evokes a spirit of what real American community is and the notion that when a friend needs you, you'll be there for them, and vice versa. But the one thing about "It's a Wonderful Life" that makes me want to watch it over and over again is that vision of what the fictional community of Bedford Falls would be like without our protagonist, Jimmy Stewart. In the Dickensian spirit of allowing someone to look



into the future, Jimmy's character is afforded a view of what life in his community would be like without him. It's a humbling thing for Jimmy, who sees his wife, played by Donna Reed, alone in the world. He sees his home dark and deserted. And perhaps most troubling is that his community has slipped into an economic and social abyss.

Just one person, the real Christmas story tells us, can make a difference. One solitary life – in Bethlehem, Israel, or Bethlehem, Pa., – can make a difference. For that matter, one life can make a difference just about anywhere, particularly in small cities that far outnumber the metropolitan areas of this nation.

Sometimes that one person is you.

It should be a humbling thought for all of us to think about what our families, our neighborhoods and our communities would be like without us. That should make us all keep us from taking things for granted. And at this time of the year when we're often reminded that it's gluttonous to want things instead of giving things, "It's a Wonderful Life" is a teachable moment for us all. The message it sends is that it's good to want more if "more" is defined as giving more to your family, your community and ultimately the world.

This one time of the year is a grand ambassador for the altruism of unselfish giving. Too often we think of what we "gave at the office" as the metaphor for what we gave in taxes. There's no gluttony associated with community service. In fact, we even sentence people to do it because we hold that concept in high regard, even if we don't offer civics as a course in schools anymore. We have Make A Difference Days, Live United days and service learning projects in schools, but real community service is that part of the American dream that reaches beyond what

we have to do in our communities to what we want our communities to become.

Too often in my 25-year career as a reporter and editor, I saw "public officials" who weren't really "public servants," and it saddens me to say that in a country that values, and is valued worldwide, for how it defines democracy, there are too many "public officials" who aren't "public servants."

To that end, I'm suspending my journalism career to pursue public service because there are times when bystanders can't be bystanders. There are times, as it says in Ecclesiastes, for just about everything. If we were revising the Bible for the 21st century, that chapter of Ecclesiastes might include the words, "a time to serve."

For me, that time is now.

For those who read the words of then Gov. Mitch Daniels a few years ago when he remarked about teachers doing union work on school time, it may be disconcerting to reflect now on the fact that our former state school superintendent and his staff did campaign work while they were employed to work for the public. No charges are pending, but laws, as one review has determined, were clearly broken. Who holds that person accountable? So far, no one. Not Indiana Attorney General Greg Zoeller, who sounds more like he's a candidate running for Congress than an attorney general looking out for the public good. Not federal authorities who must be looking the other way because it's only state government. Not Marion County officials who wash their hands of it by saying, "It's a state matter" even though most of us who break laws and are caught doing it pay fines, court costs and even serve time. It appears that justice in our state is blindfolded not out of fairness, but out of fear of doing jobs that have to be done.

The late Rev. Martin Luther King once said something provocative that would have resonated with Jimmy Stewart's character in "It's a Wonderful Life" – "The time is always right to do the right thing."

The time for all of us, regardless of political affiliation, is always right. The time to serve is always right. The time to feel good about wanting more for our communities, our counties, our state and our nation is always right, even if we live in the greatest nation in the world. In a sense, that notion of "wanting more" is what got us here. I fear that if we think we can take that for granted, a flag alone won't keep us here. The things the flag represents will.

There is a time for people to serve in Bedford Falls, and in Logansport, the city where I live. That's why I'm running for mayor of a third class city in Indiana. One person can make a difference, even a mayor.

It's my hope and prayer that one person will make a difference in all your lives this holiday and in 2015. ❖

Kitchell will run as a Democrat for Logansport mayor.

Mark Bennett, Terre Haute Tribune-Star: Most Hoosiers don't live at 200 W. Washington St. in Indianapolis. It's pure, 21st-century Indiana, though — the part of this state that America hears about most. The Indiana Office of Management and Budget resides at that address. Numbers live there, too, especially those coveted by 49 other states. Gov. Mike Pence referred to those numbers in his State of the State speech Tuesday night. "Together, we've made Indiana the fiscal envy of the country," the governor said. Specifically, America fiscally envies the state's balanced budget, \$2 billion budget surplus and business tax cuts. Later, as Pence declared that Indiana should add a balanced-budget amendment to its constitution (which sounds politically grand, but is needless because the constitution already prohibits Indiana from incurring debt), he said, "Unlike Washington, D.C., we won't bury our children and grandchildren under mountains of debt." It's not helpful to confuse our state government with our state. Indiana has issues with debt, too. The state's cities deal with debt, especially as they try to deliver public services with decreased revenues after caps on property taxes went into the constitution nearly five years ago. According to the Gateway Debt Management database, built on figures from the Indiana Department of Local Government Finance, the total debt per-capita (the average amount owed by Indiana's largest cities, divided among every man, woman and child) is surprising. Carmel tops the debt list at \$11,549 per person, on average. Evansville stands second with \$8,562 in total per-capita debt, followed by Noblesville at \$5,826; Fort Wayne, \$3,847; Fishers, \$3,181; Lafayette, \$2,717; Bloomington, \$2,294; and South Bend at \$2,186. Hoosier families also cope with significant student-loan debt. Among college graduates in the Class of 2013, Indiana had the 16th-highest average debt for those with student loans at \$28,466, ❖

Tim Etheridge, Evansville Courier & Press: At times, it follows the theory "you scratch my back and I'll scratch yours," a common occurrence in the political world. But according to Merriam-Webster, the preferred definition is "an equivalent given in return (as for an injury): retaliation in kind." That's where we are in Evansville, thanks to a lack of communication and a lack of trust between Mayor Lloyd Winnecke's administration and City Council. And in this case, our own version of urban dictionary might declare the act of tit for tat as "great drama, mediocre politics, and lousy public policy." That is how it has played out in two-part disharmony. It started about three hours before last Monday's council meeting, when Winnecke put out a news release saying he would veto the bill passed by the council to limit participation on local boards and commissions to city residents — though, in truth, it started

in 2011 when the Republican was elected over Democrat Rick Davis and eight Democrats were chosen for a nine-member council. Winnecke and his attorneys (remember, residents are paying those bills) disagree with the council and its attorney (remember, residents are paying those bills) over how the bill relates to a state law referencing "home rule." It became an issue when, at the last moment before a vote in December that Winnecke had promised to follow, council attorney Scott Danks proposed an amendment that strengthened wording (with, it should be noted, little chance for the city to respond, despite administration attorney Marco DeLucio's attempts to do so; the posted



City Council minutes do not indicate if DeLucio spoke before or after the 6-3 vote). Then, on Monday, the council voted by the same 6-3 to override the veto, even after Danks acknowledged he hadn't had time to read DeLucio's argument but, basically, had the gut feeling that his original interpretation was correct. You saw plenty of signs of disrespect in the process: Councilwoman Stephanie Brinkerhoff-Riley referring to Winnecke's chief

of staff, Steve Schaefer, by only his last name as he stood before council with an update on the Downtown hotel fiasco; Councilwoman Connie Robinson staring down other members who disagreed with her views; Danks badgering Schaefer to the point that, in a courtroom, he would have been advised by a judge to back off; and Winnecke sitting in his office across the hall from council chambers, rather than emerging to explain his actions himself. ❖

Tim Swarens, IndyStar: It was the second day of the first week of the General Assembly's 2015 session and Mike Delph already had seen two of his proposals crumple like car fenders colliding in an icy intersection. To add insult, Delph's early losses were the work of leaders in his own caucus who assigned his proposals to legislative purgatory. Yet, Delph was undeterred and unrepentant as we spoke for 90 minutes over coffee on a winter day almost as frigid as the reception he gets in many corners of the Statehouse. Now, most politicians, if they had endured Delph's 2014, would focus on reassessing tactics and rebuilding relationships and his own reputation. But Mike Delph isn't like most politicians. He plays a different game. And one that when you hear his long-term ambitions, almost — almost — makes a peculiar sort of sense. During our conversation, Delph brought up a couple of times the fact that Sen. Joe Donnelly visited the district to campaign against him. ("I could get more votes in Mishawaka than Donnelly got for my opponent," Delph said). But a future bid for the Senate, against Donnelly in 2018? That has his attention. The Indiana Family Institute, for example, named Delph its 2014 legislator of the year. "My volunteers would walk through a nuclear attack to support me," Delph boasted. ❖

HHS says 175k signed up for ACA

WASHINGTON — This Thursday marks the second open enrollment deadline for the 2015 Health Insurance Marketplace. For coverage starting on Feb. 1, it is important for people to sign-up now, ahead of the today's deadline. "As of Jan. 9, 175,447 Hoosiers have access to quality, affordable health coverage for 2015 through the Health Insurance Marketplace," U.S. Department of Health and Human Services Secretary Sylvia M. Burwell said. "There are just over four weeks before the Febr. 15 deadline and the end of open enrollment. For those who are thinking about getting health coverage, take a look at your options on HealthCare.gov or contact the call center. If you don't enroll by Feb. 15, then you may have to wait until next year to sign up for affordable coverage. In the first month, 88% of Indiana consumers who signed up were eligible for financial assistance."



House votes to undo Obama exec order

WASHINGTON — The Republican U.S. House voted Wednesday to overturn President Barack Obama's key immigration policies, approving legislation that would eliminate new deportation protections for millions and expose hundreds of thousands of younger immigrants to expulsion. The 236-191 vote came on a broad bill that would provide nearly \$40 billion to finance the Homeland Security Department through the rest of the budget year (Associated Press). Democrats accused Republicans of playing politics with national security at a time of heightened threats, and Obama has threatened to veto the legislation. Prospects in the Senate look tough,

Rush pushes for e-court filings

INDIANAPOLIS — Indiana Supreme Court Chief Justice Loretta Rush focused on the need for Indiana to modernize its court operations during her first State of the Judiciary address Wednesday (Schneider, Evansville Courier & Press). Rush, who took the helm of the state's highest court last year, announced electronic filing will begin to be rolled out to state courts this year. She said the state's investment in the technology now will pay off in the future. "Pennies of additional investment now will reap dollars of savings in future records management costs. And if our Indiana judicial system is to be on the right course, we must act now," Rush said.

Legislators work on budget proposal

INDIANAPOLIS — Republican legislative leaders are backing Indiana Gov. Mike Pence's proposal to add a balanced budget amendment to the state constitution, even as details of how it would work are still being sorted out (Associated Press). Pence raised the proposal publicly for the first time during his State of the State speech Tuesday night. Wording for the amendment hasn't yet been proposed, and its impact is unclear since the constitution already largely prohibits the state from incurring debt. Senate President Pro Tem David Long, R-Fort Wayne, said Indiana would be following most states in having a constitutional requirement for a balanced budget. He said lawmakers needed to be cautious in making the amendment flexible enough for state officials to respond to future recessions during its two-year budget cycles. "It will be minimalistic, whatever we end up with," Long said. "Try to make sure you don't hamstring yourself in the future, but that you do require fiscal discipline for future generations."

Boecher enters Elkhart mayor race

ELKHART — The Elkhart mayoral election just got a lot more interesting (Elkhart Truth). Until Dan Boecher's announcement on Tuesday, there were two candidates. Dick Moore is the two-term Democrat incumbent who has served the city in a variety of ways for decades. Tim Neese is a former Republican state representative and was on the Elkhart City Council for 15 years. But now Boecher also wants the Republican nomination, which means voters benefit from a clash of competing ideas in the May primary. Boecher is executive director of Downtown Elkhart Inc. and worked for the city of Elkhart as its economic development director under Mayor Dave Miller.

Centaur closing Merrillville OTB

MERRILLVILLE — The owner of Indiana's two horse racing tracks is closing its off-track betting parlor in northwestern Indiana because of slow business (Associated Press). Centaur Gaming said Monday its site in Merrillville will close March 15. Centaur Gaming president and chief operating officer Jim Brown says business declines "have made it no longer viable to maintain an off-track betting operation in the area."

Judge rules on South Bend wiretap

SOUTH BEND — Nearly four years after several South Bend Police officers were recorded on a telephone line, launching an expensive and divisive debate, a federal judge on Wednesday finally issued a ruling in the case (South Bend Tribune). But the ruling was not entirely decisive. Judge Joseph S. Van Bokkelen ruled some material from the controversial tapes of those police conversations were illegal, but other parts were simply recorded in error.