



LADWIG: Republican 'change' disappoints in Indiana

Craig Ladwig / Special to IBJ March 26, 2011



Monitoring committee hearings at the Statehouse, a few of us were surprised by a Republican senator's assertion of a new fiscal policy. Revenue Neutrality, he called it. The policy was cited as justification for squashing a tax cut.

Just the GOP version of Nancy Pelosi's "pay as you go?"

Perhaps, but as the senator evoked the policy, thousands of Hoosiers were trying to figure out—as my Depression-era grandmother would say—how to “make it do, fix it, or do without.” Indiana government, in contrast, expects to be reimbursed dollar for dollar for all hardships.

Establishment Republicans are in danger of becoming as addicted to government aid as countless other individuals and interest groups. Tad DeHaven, an adjunct scholar of the *Indiana Policy Review*, makes that point graphically clear.

DeHaven, who once toiled as a budget analyst at the Statehouse, recently posted a pair of charts on his blog for the Cato Institute. They show how much federal aid to state and local government has increased in the past few years. The data lines, from Republican states and Democratic, look like rocket trajectories.

It all gives cause to wonder whether the Indiana GOP is capable of fully understanding what happened Nov. 2. Ironically, there are indications that the Democrats, whether they like it or not, do in fact “get it.”

A Democratic pollster, Douglas Schoen, believes his party could win big if it confronted the public-employee unions. He notes that support for Democrats is as low as 33 percent among certain groups of private-sector workers. He issued a warning:

“By providing Democratic candidates the bulk of their campaign funding, public unions have essentially bought control of the party. This is particularly true when it comes to the politicians who control union contracts and pensions at the state and municipal levels.”

According to the Fort Wayne *Journal Gazette*, however, a high-ranking Indiana Republican believes his party might have been able to repeal collective bargaining for teachers this session but decided not to try. Why not? The GOP leadership “wanted to let teachers know they are valued and give them a sense of security,” the newspaper reported.

Yes, but do taxpayers and patrons stuck with mediocre schools feel valued? How's their sense of security? What about those Hoosier teachers who want to be free of union rules? Or the best teachers, whose salaries are capped by the lowest common denominator?

Our politically ambitious governor, best of luck to him, carefully avoided any Wisconsin-like demonstrations by education activists. His was a deft move to limit collective bargaining “solely” to salary and benefits. It wasn’t reform, though.

He certainly didn’t scare the Indiana State Teachers Association Inc., a private entity that maintained its stranglehold on the state budget, a special interest that for 30 years has perverted our educational mission from the teaching of young students to the hiring of adult cronies.

Nor does such policy represent moderation or bipartisanship, writes political scientist James Ceaser in the current issue of the *Claremont Review of Books*. Rather, it is an attempt by a bipartisan political class to paper over official self-indulgence.

“If Republicans are to remain true to the verdict of 2010, the message of this election cannot be containment; it must be rollback,” insists Ceaser.

So, will this General Assembly roll anything back?

You know the answer. There has been only lip service for those policies definitively linked to more investment and jobs, such as a right-to-work law, or repeal of the state inheritance tax or an end to mandatory public-sector collective bargaining. They were left behind in committee if they were granted a hearing at all.

But the new normal, Revenue Neutrality, is being enforced to the last decimal point.

We could have programmed our laptop to do that. •

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