

INDIANA POLICY

review



The Collective Bargaining Act of 1973

CAN WE STILL AFFORD GOVERNMENT UNIONS?

"A future that works"

*In Congress, July 4, 1776,
the unanimous declaration of the thirteen United
States of America:*



When in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation. We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. That whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness. Prudence, indeed, will dictate that governments long established should not be changed for light and transient causes: and accordingly all experience hath shown, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same object evinces a design to reduce them under absolute despotism, it is their right, it is their duty, to throw off such government, and to provide new guards for their future security.



*Vol. 23, No. 4
Fall 2012*

A FUTURE THAT WORKS

Our mission is to marshal the best thought on governmental, economic and educational issues at the state and municipal levels. We seek to accomplish this in ways that:

- Exalt the truths of the Declaration of Independence, especially as they apply to the interrelated freedoms of religion, property and speech.
- Emphasize the primacy of the individual in addressing public concerns.
- Recognize that equality of opportunity is sacrificed in pursuit of equality of results.

The foundation encourages research and discussion on the widest range of Indiana public-policy issues. Although the philosophical and economic prejudices inherent in its mission might prompt disagreement, the foundation strives to avoid political or social bias in its work. Those who believe they detect such bias are asked to provide details of a factual nature so that errors may be corrected.

BOARD OF DIRECTORS

Charles S. Quilhot
Byron S. Lamm
T. Craig Ladwig

Joyce A. Preest, copy editor; Robert and Lisa Barnum, graphic design. The cover: "The Children's Class," Henri Jules Jean Geoffroy, 1889 (oil on canvas), the Bridgeman Art Library.

MEMBERSHIPS

Only active members and registered media are given interior access to the archive at www.inpolicy.org. The active membership can be defined as those members who have donated \$50 or more to the foundation within the past year. It is the staff's preference to consult these active members when selecting issues for panel discussions in their regions. It is also the staff's preference to contact active members when seminars and events are scheduled in their regions. In any case, the foundation makes available its work and publications as resources permit.

Memberships are tax-exempt. The Indiana Policy Review Foundation is a nonprofit Indiana corporation, established in January of 1989 and recognized under Section 501(c)(3) of the Internal Revenue Service Code. Its officers and staff can be reached at: PO Box 5166, Fort Wayne, IN, 46895; editor@inpolicy.org or under the "contact us" tab at www.inpolicy.org. The foundation is free of outside control by any individual, organization or group. It exists solely to conduct and distribute research on Indiana issues. Nothing written here is to be construed as reflecting the views of the Indiana Policy Review Foundation or as an attempt to aid or hinder the passage of any bill before the legislature or to further any political campaign.

TROPHY-CASE WELFARE

Good-bye Hoosier Exceptionalism

Until 15 years ago Indiana had something special. It was the single-class state basketball championship. Hoosiers, though, despite the iconic movie, never understood what was so special so they lost it.

This summer the Indiana High School Athletic Association (IHSAA), announced that the public and the experts had spoken for good: Multi-class basketball will be the rule. Here is the official statement:

While there still exists a segment of Hoosier citizens that would support a return to a single-class basketball format for the Indiana High School Athletic Association and its membership, that same membership has once again demonstrated strong support for the current multiple-class format.

It was the kind of “that-will-be-that” announcement your gym teacher might make about improper use of towels in the locker room. The choice was framed as being between: a) an immature but perhaps fun way of doing things; and b) the practical, grown-up way.

That was false. The choice was between the right way of doing things and a convenient way of doing them.

We can only understand what single-class basketball means to the Hoosier spirit if we go to the trouble to understand what multi-class basketball *is not*. And we begin with the fact that it *is not* good for basketball.

Caste systems historically serve to defuse resentments that predictably build between people of varying abilities or ambitions.

Such systems serve those at the top of the heap — envy is quelled, expectations are lowered, routine is preserved. A carefully built program will not be toppled by Podunk Milan or come to be dominated by Franklin’s “Wonder Five.” Nor will an Oscar Robertson or Crispus Attucks be allowed to upset the racial sensitivities of influential patrons and fans.

Those at the top of this particular heap are the men who justify their salaries in the name of “wholesome amateur athletics.” They do it for the “kids,” they will tell you at budget time.

Yet some doubt that our student athletes, our “kids,” will ever again play in a place where the game’s inventor, James Naismith, could write, “Indiana is the center of basketball,” after sitting in the stands with 15,000 fans at a Hoosier single-class final.

Through the 2009-2010 season, 146 of our homegrown athletes had played professional basketball.

That makes Indiana per capita by far the most-successful basketball program in history. That will not last; the bureaucrats of the jock strap now blow the whistle, not men like Coach Norman Dale (Gene Hackman).

The real story is that Indiana has thrown away something as precious as America itself — its exceptionalism. For equality of opportunity has been replaced with equality of results, albeit wrapped in neat little packages of “equal” schools. Such equality always dampens achievement.

So the next time you hear the bounce of a basketball on driveway cement consider this: If the powers that be don’t understand something as important as basketball, what else don’t they understand?

In Search of an Honest Arbiter

If you’ve ever wondered where the line is between extreme and reasonable in the Indiana political discussion this gubernatorial election will draw it for you. Don’t expect, though, to learn much about the issues themselves.

We’ve been writing lately about the importance of an independent mass media as an honest arbiter of the public discussion, the kind envisioned by the Founders as they searched for ways to keep brute democracy within constitutional bounds. We no longer have such

an arbiter (see “Letters to *the Star*” on page 62).

The great Indiana dailies, all of them corporately managed now, cover even the most critical issues as if they were sporting events, both sides being treated

as morally and factually equal.

That may sound perfectly fair to adolescent journalists. Adults, though, should know that it creates a wedge for those who would confuse and distort.

A recent article by *the Indianapolis Star’s* chief political writer accepted without challenge a political operative’s description of our policy guide as “extreme.” The paper’s position, as explained to us by the publisher, was that somebody else, not *the Star*, said it.

Well, OK, but there was a time when editors and reporters were restrained from passing along characterization. If an article characterized a position or a personality it was expected to include for the reader’s consideration material that supported the characterization.

Otherwise, it is mere name-calling, pejorative, slander, and there’s no market for that. — *tcl*

“I always use the word extreme.”

— Chuck Schumer, the third-ranking Democrat in the Senate, quoted by the *New York Times* explaining political strategy to his colleagues

COLLECTIVE BARGAINING: IS IT WORTH IT?

Report: Public-sector unions are costing Hoosiers \$747 million a year.

Editor's Note: Indiana's decertification of a handful of unions in 2005 affected only a fraction of state and local public-sector employees. In fact, there are as many workers in such unions now as there were before the order took effect. All teachers and many firefighters, police, etc., continue to work under rules that either allow or mandate collective-bargaining representation by a single union. It is a policy matrix that begs critical review.



"The Children's Class," Henri Jules Jean Geoffroy, 1889 (oil on canvas), the Bridgeman Art Library, Getty Images

by ERIC SCHANSBERG

Most workers negotiate wages with their employer individually. Collective Bargaining (CB) is a negotiation process between one or more employers and one or more groups of employees about compensation and working conditions. With CB, employees are typically represented by a labor union and individual negotiation is prohibited. Once the workers' representatives and owners/management agree on a contract, all workers vote on the proposal. If approved, the contract is viable for an agreed period of time and then renegotiated.

With the New Deal in the 1930s, private-sector labor unions gained immense bargaining power through an array of laws — most notably, the National Labor Relations Act (NLRA) of 1935.

Private-sector unions gained numbers and influence quickly. But after the Taft-Hartley Act in 1947, unions and employers under the NLRA were no longer allowed to require unionization of all employees. Over the years, 23 states (most recently, Indiana) have added these "right-to-work" (or "open-shop") laws — where employees

in a union shop are not required to pay union dues. This is controversial. From the perspective of unions, these laws reduce their power. More objectively, non-union individuals can free-ride off the efforts and resources of those in the union. As in many other political contexts, there are important trade-offs in public policy between the individual and the collective — and between what's good for an interest group and what's good for society. In any case, "right-to-work" laws were one of many reasons that private-sector unions began a

long, steady decline from the 1950s until now.

As for public-sector unions, the early consensus was that CB should not be available to them. Despite President Roosevelt's support for private-sector unions, FDR was not a fan of CB for government public-employee unions:

"All government employees should realize that the process of CB, as usually understood, cannot be transplanted into the public service. It has its distinct and insurmountable limitations when applied to public personnel management. The very nature and purposes of government make it impossible for administrative officials to represent fully or to bind the employer in mutual discussions with government-employee organizations."¹

Even George Meany, president of the AFL-CIO, said this in 1955: "It is impossible to bargain collectively with the government." Or consider this from the AFL-CIO's Executive Council in 1959: "In terms of accepted collective-bargaining procedures, government workers have no right beyond the authority to petition Congress — a right available to every citizen."² And so, the push



D. Eric Schansberg, Ph.D., an adjunct scholar of the foundation, is a professor of economics at Indiana University Southeast in New Albany.

1. <http://www.presidency.ucsb.edu/ws/index.php?pid=15445#axzz1zEawFWHi>
2. <http://www.nytimes.com/roomfordebate/2011/02/18/the-first-blow-against-public-employees/fdr-warned-us-about-public-sector-unions>

for CB power for public employees would come later.

But starting with New York City in 1958 and Wisconsin in 1959, cities and states began to allow CB in the public sector. (In 1962, President Kennedy signed an executive order allowing CB with federal agencies.) Whatever their previous philosophical concerns, the influx of dues and members must have been alluring to unions. In any case, public-sector unions expanded rapidly in the 1960s and 1970s — to cover teachers, firemen, police, prison guards, etc. — and CB in the public sector became common. More members translated to more power, leading to rapid growth in legal and illegal strikes — well beyond the growth in state and local government employment. (Although most states prohibit government employees from striking, 14 states allow strikes by some government employees either by statute or court decision.)

From theory and history, it's obviously not a given that public-sector employees should be unionized — or if unionized, that they should have CB. The law may allow government employees to form unions, yet prohibit them from engaging in CB over one or more provisions and prevent them from going on strike against the government. Both the federal government and some state and local governments in the United States have such rules.³

In 1977, the Virginia Supreme Court ruled that its local governments could not enter into collective agreements with public employees, since the state legislature had not allowed it. And in 1993, Gov. Douglas Wilder (a Democrat) signed a state law to prohibit CB by public-sector workers. Only seven states — Colorado, Arkansas, Louisiana, Mississippi, North Carolina, South Carolina and Virginia — completely lack statutory CB authority. Other states have prohibited many kinds of collectively bargained contracts.⁴

The growth of the public-sector unions, their prominence in key fields of employment and their noticeable political muscle have all brought attention to

their status — especially in the context of strained fiscal circumstances for state and local governments. During this Great Recession, many states have struggled mightily with balancing their budgets — and then the temporary federal “stimulus” transfers disappeared, deepening their problems. This gave reform-minded governors a big opening to argue that structural change was necessary to fund schools appropriately. The above-market wages and benefits enjoyed by government employees have become a natural target for scrutiny and potential savings.

Again, even though Gov. Scott Walker and the Wisconsin unions have had the largest public stage, Indiana and other states have headed in the same direction. It is important, then, to understand what the world would look like if unions had less power — specifically, the benefits of unions and to whom those benefits are bestowed.

Economic Theory on Unions

Unions are an interesting entity in economic terms. By definition, they are “cartels” — a collusion of suppliers, hoping for a better “price” as they sell their products or services. Cartels are difficult to form and maintain naturally, because an artificially high price will encourage cheating by those in the collusive agreement — and even more so, will promote supply by those outside the agreement. As such, “natural” cartels — those without significant help from the government — are rare. (Textbooks always point to OPEC's oil and De Beers' diamonds — notably, both are natural resources — as the only significant examples.)

But with help from the government, suppliers are often able to restrict competition and charge higher prices, benefiting themselves to the detriment of consumers and society. (In the context of labor markets, employers are the “consumers” who rent labor services.) Along those lines, unions are exempt from antitrust law. And they petition

“It is impossible to bargain collectively with the government.”

— George Meany, AFL-CIO president, 1955

“In terms of accepted collective-bargaining procedures, government workers have no right beyond the authority to petition Congress — a right available to every citizen.”

— the AFL-CIO's Executive Council, 1959

3. In the context of public-sector workers, CB laws are similar to certain “meet-and-confer” ordinances.

4. In 2005, in a move confused with more-significant actions in Wisconsin, Gov. Mitch Daniels reversed an executive order by former Gov. Evan Bayh that had certified a limited number of public-sector unions. Subsequent legislative action (IC 4-15-17) prohibited a future governor from simply restoring Mr. Bayh's original order.

The greater ability of public-sector unions to collude with public-sector employers — in reaching relatively lucrative agreements funded by taxpayers — is not a novel observation. Such collusion is to be expected for many reasons.

politicians, who often agreeably restrict their competition in both labor and product markets. It follows that government can also decide to reduce these favors and reduce union bargaining power. In Virginia, the ban on CB reduced union density significantly, and presumably, union bargaining power. In Indiana, “right-to-work” will undermine the cartel and its power.

In the context of a competitive labor market, unions create inefficiencies, as they help themselves at the expense of others. But if the labor market is not competitive — in what economists call “monopsony power,” when a firm has significant monopoly power over workers — unions can be an improvement in terms of both equity and efficiency.

Think back to Polish labor unions bargaining with the Communist government in the 1980s. The government was the only employer, and thus, had tremendous bargaining power over employees. In that context, a worker cartel brings (more) balance to the negotiations, resulting in each side having significant monopoly-bargaining power — what economists call “bilateral monopoly.” But examples of “monopsony power” are rare in contemporary America — and almost all of the examples we have are historical (*e.g.*, 19th-century coal mines) or bolstered by government (*e.g.*, slavery, NCAA athletes).

With public-sector workers, CB laws compel local governments to bargain with government-sector unions in good faith toward a binding contract that controls compensation and other conditions of employment. On the surface, this doesn’t seem like much. But the threat of litigation over “bad-faith” negotiations and the label of “unfair labor practices” are constantly hanging over the heads of government officials.

Government-sector unions are often regarded as less-aggressive, white-collar cousins of private-sector unions. There is some truth to this perception. That said,

they often have monopoly-like control, so they may carry such a powerful stick that they can afford to speak more softly.⁵

Government-sector unions enjoy fewer explicit legal protections than their private-sector cousins. They are excluded from the National Labor Relations Act (NLRA) of 1935, but they regularly conduct illegal work stoppages and strikes. And public-sector unions compensate for the lack of NLRA protection with state and local CB laws.

All that said, with recent events, we’ve seen that public-sector unions can get aggressive.

Applications of ‘Public Choice’ Economics

The greater ability of public-sector unions to collude with public-sector employers — in reaching relatively lucrative agreements funded by taxpayers — is not a novel observation. Such collusion is to be expected for many reasons.

First, government has an inherently greater ability to pass higher costs to taxpayers than private-sector firms can pass to consumers and investors. Although owner interests are often diffused through stockholders, this pales in comparison to the diffusion and subtlety of slightly higher taxes per person to support concentrated benefits for those in a special-interest group.

Second, government-sector unions typically enjoy a much-higher degree of monopoly power. Unions are more effective in a context with monopoly power, because profits are higher and “market discipline” is more lax. (In the context of regulated monopolies, the government aims for a rate-of-return over “costs,” discouraging the monopolist from worrying much about costs, including employee compensation.) As competition in labor and product markets has increased (dramatically) over the past few decades, the presence and power of private-sector unions has diminished.⁶ In contrast, public-

5. An example is “association,” which, as a matter of political reality, can often mean “union.”

6. The chief cause of this is what economists call lower “transaction costs” — the costs of making a trade happen, most notably in the realms of transport and communication. With deregulation of transport and communication industries under Presidents Carter and Reagan — and with massive technological advances in communication — this is easily the most under-sold and perhaps the most important economic phenomenon of the last 40 years.

sector unions have seen their power grow in tandem with the growth of state and local government.

Third, the interests of public employers and unions are generally more aligned than those of private-sector employers and unions. In fact, the latter pair is famous for fighting among themselves. But public employers and their workers generally get along well — to put it crassly, because they're using someone else's money. More spending helps politicians and government workers.

Unions provide political influence in campaigns. Politicians then reduce services

elsewhere or increase taxes to pay for the benefits demanded by unions. This *quid pro quo* is troubling in terms of both equity and efficiency. Government-sector CB strengthens potential collusion between government employees and public officials.⁷

Budget Implications

What would it look like if Indiana repealed the Collective Bargaining Act of 1973 (CBL)? Dranias *et al.* show a strong correlation between government-sector union density, compensation paid to government employees, and unsustainable

Public employers and their workers generally get along well — to put it crassly, because they're using someone else's money.

7. A relevant economic term here is “moral hazard” — that the terms of a contract cause changes in incentives within the contract. In non-economic terms, this is simply a conflict of interest, or at least its perception.

The Indiana Collective Bargaining Law of 1973

It is one of Indiana history's great ironies that the law giving the teacher unions and the Democrats a headlock on Statehouse business was put forward by a popular conservative GOP governor. Collective bargaining for the state's teachers was the concession Democrats extracted from Gov. Otis Bowen for passage of his property-tax reforms. The reforms, compromised by subsequent legislation, soon fell apart. Collective bargaining, however, has grown into the overriding political factor in state politics.

The rationale for collective bargaining for public employees is encapsulated in the 1973 Collective Bargaining Law (CBL). Charles M. Freeland, an attorney and MBA, was commissioned by the foundation in 2001 to lead a team of law students in a six-month review of the CBL that included comparing the labor agreements of all 295 Indiana school districts.* The researchers found the contracts practically identical, although written by independent school boards — a testimony to the statewide influence of the unions and their empowerment by the CBL.

Mr. Freeland noted that the authors of the legislation took unusual care to explain why the law was needed, suggesting that the reasons were not self-evident to many of the Republicans who signed on to the Bowen compromise. Freeland's conclusion:

While many other sections of the statute have been amended over the ensuing years, Section I (the rationale) remains unchanged and makes interesting reading. In the opening section of the statute, the General Assembly makes references to ‘harmonious and cooperative relationships,’ the alleviation of ‘various forms of strife and unrest’ and the state's obligation to ‘protect the public’ from ‘material interference’ in the educational process. Such language makes it hard to avoid the conclusion that the adoption of the CBL was in response to threats from the teacher unions.

Mr. Freeland focused on four untenable arguments woven into the CBL, noting that while legislators went to great trouble inventing requirements not in the Indiana Constitution they failed to address requirements that are in it. We quote at length in recognition of the import:

- First, said the General Assembly, teacher unions should receive extraordinary legal privileges because schools are ‘not operated for profit’ but to ensure the ‘rights guaranteed’ by the Indiana Constitution. This statement is a *non sequitur*. Whether or not schools are operated for a profit has nothing to do with carrying out the constitutional mandate.
- Second, the General Assembly stated that teacher unions should be granted extraordinary legal privileges because of ‘increasing technology’ and the need for ‘educational innovation.’ Such reasons are, today, justification to privatize public education, not to insulate it from the market.
- Third, the General Assembly stated that teacher unions should be granted extraordinary legal privileges because the responsibility for carrying out the constitutional mandate for free public education had been delegated to local school corporations composed of elected representatives. We must, alas, rely on the drafters to explain how this makes any sense. It is another *non sequitur*.
- Finally, the General Assembly stated that teacher unions should be granted extraordinary privileges because of ‘constitutional and statutory requirements’ for public-school corporations to treat teachers differently than private employers treat their employees. If there are such constitutional requirements, they are not to be found within Article 8, which deals with education. Similarly, to the extent that the reference to ‘statutory requirements’ means the CBL, the reasoning is circular. It amounts to saying that this law is justified because this law exists.

* Charles M. Freeland. “The Teacher Unions: Cutting Out Paper Dolls.” *The Indiana Policy Review*, Vol. 12, No. 3 (Winter 2001).

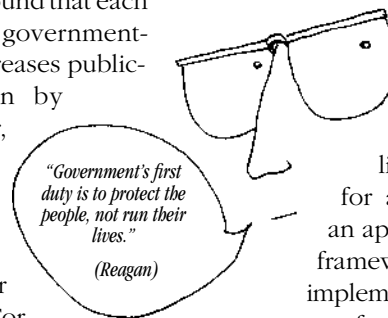
It is estimated that the cost of unionization is about \$460 a year from the average family of four.

fiscal policies.⁸ In recent years, many observers have pointed to a premium for public-sector workers over their private-sector colleagues — presumably because of their bargaining power. (The least impressive of these efforts don't hold any variables constant — and find an extravagant premium.⁹ More careful studies hold key variables constant and find a modest premium.¹⁰)

The Dranias study found that each 10-point increase in government-sector unionization increases public-worker compensation by about \$1,400. Further, it estimates the cost of unionization for each state and calculates the fiscal implications of reducing public-sector unionization by half. For Indiana, the calculation is \$757 million per year — about \$460 from a family of four.¹¹

Closing: Three Caveats

First, until the 1950s, the answer to the potential for public-sector unions abusing power was simple: Ban them. But then courts began to rule that this could impose an intolerable burden on workers. State and local government responded by offering public-sector unions more power. Dranias *et al.* argue that “the general thrust of this modern trend is probably correct. Early case law governing public-employment policy was wrong to declare that when governments act in a ‘proprietary’ fashion, they are equivalent to private-sector businesses and should be entirely free from constitutional limitations.” They note that this implies a recognition that identifying an optimal solution will not be easy or fully objective.



Second, another factor is that the equity and efficiency of political and economic market outcomes is correlated with honesty and morality in a society.¹² The Founders talked about the difficulty of governing non-angels with non-angels. Or in the context of healthcare, you can choose pro-market reforms or reach for more government intervention, but if people are determined to live unhealthy lives, there's only so much one can do through public policy.

Third, along those lines, Dranias *et al.* argue for a “public-trust doctrine” as an appropriate natural theoretical framework for understanding and implementing policy and negotiating contracts for public-sector unions. In this framework, public officers are “trustees of sovereign power, with corresponding fiduciary duties to the citizenry.” Their job is to ensure that taxes are spent well to minimize intrusion into the wallets of taxpayers.

This requires a greater weight for government efficiency. Disloyalty to this trust should not be tolerated. Objectivity and competence should be highly valued, as they engage in “arm's length negotiations.” As the Dranias study concludes:

(E)liminating CB is not enough for genuine and lasting reform. Even the toughest legal regimes never ended informal, backroom government-sector union deal-making ... The fundamental problem is that public employers and employees alike have forgotten that government is a public trust. A bare prohibition on government-sector union CB and contracts will not restore this understanding ... nothing else can truly end government-sector union abuse.

8. <http://goldwaterinstitute.org/sites/default/files/12-01%20Collective%20Bargaining%20PDF.pdf>

9. One finds the same sort of “analysis” in discussions of the “gender wage gap” — where all women are compared to all men, without holding key variables constant (e.g., education, experience, field, hours worked, etc.).

10. See: <http://www.heritage.org/research/reports/2012/02/federal-pay-is-out-of-line-with-private-sector-pay-cbo-supports-heritage-aei-conclusions> and <http://www.cato.org/pubs/journal/cj30n1/cj30n1-5.pdf>.

11. Another key problem is the use of “defined-benefit plans” in the public sector (compared to “defined-contribution plans”). These are fiscally troubling and are being quickly phased out of the private sector. But because politicians have an incentive to push costs into the future, defined-benefit plans are really attractive from a short-run perspective, although far more dangerous in the long run.

12. Perhaps there is a required threshold, a tipping point or a critical mass. But at the least, there is a positive correlation.

AN ALTERNATIVE TO UNIONISM: TEACHING AS A PROFESSION

If teacher unions are willing to maintain their power at the expense of classroom learning, they are outside any definition of professionalism.

Author's note: As waves of reform sweep American schools, a historic element of Indiana public education, teacher unionism, cannot be expected to escape reassessment and reform. The initial union model, one based on an industrial unionism, proved ill-suited to the profession. A subsequent model using the power of collective bargaining to give teachers a seat at the boardroom table also raises concerns. There now is serious doubt as to how effective unions are not only in furthering classroom learning but in advancing the teaching profession.



(Getty Images)

by HANG LA

There will be no argument here that teachers, along with principals, administrators, academics and other educators, are differentiated by their expertise, specifically their knowledge of subject matter and their mastery of teaching skills, all predicated on specialized coursework and training.¹ There *will* be an argument, though, that unionism does not contribute to that differentiation.

There are variegations of professionalism even within a commonly agreed-on criterion of skill. Wikipedia defines *professionals* only as “well-educated” individuals; the Oxford American Writer’s Dictionary defines *professionalism* as “the competence or skill expected of a professional.”*

We can, however, say this much: The possession of complex technical abilities is what distinguishes doctors, lawyers and teachers from assembly-line workers. It is a reason teachers were not eager to organize before the 1960s; unions were thought to be exclusively for nonprofessional, blue-collar occupations.²

In later years, though, even as collective bargaining focused on salaries and benefits, the leadership of the teacher unions began to acknowledge professionalism as a defining objective.

In first arguing for teacher unionization, Albert Shanker, former president of the United Federation of Teachers, noted that professionalism can be identified

by ample pay and a freedom from arbitrary supervision. American public-school teachers had been vulnerable, he thought, to such supervision.

Mr. Shanker pushed the industrial model of collective bargaining as a way for teachers to negotiate better wages, hours and working conditions, all of which could help them win treatment as professionals and not mere employees. This was an attempt in the midst of a historic expansion of the American public-school system to preserve the dignity of the teacher and redefine the profession for the coming era.³

Through the 1980s, the industrial model of teacher unionism spread to all states, surpassing the dreams of both the United Federation of Teachers and the National Education Association, and making unions powerful forces in public education. Yet, the way the unions engaged teachers was troubling — to some teachers, to many administrators and to a growing number of patrons. Calls for a new “professional” unionism began to be heard.

While the industrial model of collective bargaining had helped teachers secure more reasonable treatment from administrators, it had de-professionalized teachers in other ways. By confining negotiation issues to wages, hours and work rules, it locked teachers and administrators into adversarial sub-professional roles, mere labor versus management.

Partly as a result, teachers were treated as if they had no overriding interest in their students or in improving education. Also, industrial collective bargaining assumed that teachers were similarly skilled, interchangeable laborers on an imaginary education assembly line without skills or experience comparable with administrators.⁴ The teacher, in the words of the education expert Julia Koppich, was lost in a “professional chasm,” excluded from serious policy-making at the school-board level.⁵

In sum, industrial unionism inadvertently restricted a teacher’s decision-making autonomy, ignoring needed expertise and undermining the rationale for organizing

* David Monk argues, “A good grasp of one’s subject area is a necessary but not a sufficient condition for effective teaching.” In a national survey of 2,829 students, he found that methods of teaching (math and science) were as important in improving student grades as was a teacher’s coursework in the subject field.

Merely creating new roles for teachers rather than developing programs to improve those skills does little for the classroom.

the union in the first place — teacher professionalism.

The New 'Professional' Model

Subsequent thinking by union leadership challenged these assumptions but in a way we shall see proved as troublesome. Reform unionists pressed for acknowledgment that teachers and school boards, instead of being adversaries, were both interested in improving education.

Teachers, it was argued, should have a voice in school policies. It was suggested that negotiation topics be expanded to include curriculum reforms, staff development, administrative practice and parental involvement.⁶ Teachers and school boards instead of throwing demands at each other would join forces to find creative solutions to challenging issues, and “what matters most” to students.⁷

In some states, joint committees of equal numbers of elected union representatives and administrators were formed to promote collaborative problem-solving. Cincinnati, for instance, organized 37 such committees to discuss issues ranging from textbook selection to the school calendar.⁸ Proponents argued that this new model, unlike the industrial one, gave teachers the freedom and authority to do what educators are supposed to do, *i.e.*, shape policy to foster educational excellence.

This unionism also sought to improve the professional image of teachers in two specific ways, peer reviews and career ladders.

It was thought that committees of accomplished teachers could assess a school's faculty, identifying which teachers needed assistance or even dismissal. Such a peer-review system reportedly improved professional standards in Toledo, Cincinnati and Rochester.⁹

Career ladders offered promotional opportunities, providing teachers incentives to improve their professional skills. Such programs encouraged teachers to compete for new roles and responsibilities in peer review, staff development and curriculum design — fresh opportunities to gain competence and enhance professionalism.¹⁰

These reforms were promoted by union leadership as the best way to further professional growth or, as the Carnegie Corporation put it, “prepare a profession of teachers to assume new powers and responsibilities to redesign schools for the future.”

Reform, though, is fraught with optimism, and serious concerns were soon raised.

Professional Doubts

The first was a problem of breadth versus depth. As Susan Moore Johnson notes, the union reformers were eager to create new roles and responsibilities for teachers, taking them beyond the classroom to assignments professionally equal to administrators.

These expanded roles and responsibilities, however, did not

The author, an intern at the foundation, is a sophomore at DePauw University majoring in political science. Miss Hang La is a native of Hanoi, Vietnam, where at age 15 she was awarded the A*STAR (Agency for Science, Technology and Research) scholarship to study the next four years at the National Junior College, Singapore. “The time there was the most important period in my life as I most certainly received one of the world's best educations,” she said. “I developed a passion for writing and the humanities.” In 2010, she was offered DePauw's President's Award for Excellence and again left Vietnam, this time to study in Indiana. During her freshmen year here she broadened her interests to include political philosophy, history, economics and cultures. She is pursuing a career in public policy with an emphasis on education in developing countries. — *tcl*



Photo by Kyle Ducham, State University of New York

necessarily improve teaching skills. More non-classroom duties meant less time and attention that teachers were able to spend on their fundamental job – teaching. It turned out there was more to the nature of teacher professionalism than the union leadership, not to mention school boards, could comprehend.

Professional practices involve not the professional alone but a dynamic between him and the client – in this case, between teacher and student. David Maister puts it this way:

Professionalism is predominantly an attitude, not a set of competencies. A real professional is a technician who cares. . . . Professionalism is not a label you give yourself — it's a description you hope others will apply to you. . . . If someone starts a career worrying about what's in it for them, looking to do just enough to get by, or being purely self-serving in their performance — they will go nowhere. Even if they manage to excel through the ranks as good technicians, they will not be happy in what they're doing. The work will be boring, aggravating, tiresome and a drag.¹¹

Mr. Maister concludes that true professionalism is a commitment and a “passion for excellence” in serving one’s client.

It is this commitment and passion that Dr. Maryann O. Keating of this foundation believes enables professionals to operate in trust with clients. An educational professional must not only be good at teaching but must genuinely care about his students, constantly striving to provide the best service.

Teacher unions, as associations of professional educators, must reinforce these attributes if they are to retain public trust. Yet, in reality, such attributes are not easily defined or quantified in a union labor contract, collectively bargained or not.

“‘Professional’ associations do not censor member wrongdoings or appear concerned with advancing knowledge and good practices,” Dr. Keating wrote us recently. “Rather, they act as interest groups enhancing the power and income of their membership.”

Privilege versus Professionalism

Despite a stated interest in professionalism and student achievement, teacher unions have been unable or

unwilling to wean themselves from dependence on government privilege, much of it exclusive. And as a result, their existence and welfare as an organization takes precedence over serving their clients, *i.e.*, educating students. This strikes some as the opposite of a professional attitude.

While negotiating a contract, even as part of a collaborative joint committee, unionized teachers rarely compromise their interests. An expert critic of teacher unions, Terry Moe, argues that allowing teachers a role in school governance may lead to greater union power but relegates children to a priority below that of protecting the teachers’ special interests.¹²

In fact, both the old industrial unions and the new professional unions sought to minimize not only the competition faced by public schools but also competition from other systems of teacher representation. Both were seen as threats to their special interests regardless of any benefit to education itself.

Another critic, Andrew J. Coulson, notes that the National Education Association and the American Federation of Teachers have consistently lobbied elected officials against implementation of such promising reforms as charter schools, vouchers and education tax credits. They have done so, he argues, to secure a monopoly on government spending on education.¹³

In sum, if professional unions can only maintain their power at the expense of classroom learning they are outside any definition of teacher professionalism.

The Problem of Knowledge

In his work, *The Use of Knowledge*, Friedrich Hayek is convincing that wisdom is most likely found dispersed among separate individuals rather than collected in totality in any single person or group. Even if reform-minded unionists have the best intentions of providing educational services in an effective manner, they are unlikely to have the requisite knowledge to make rational economic calculations.

Indeed, the absence of market signals to make those calculations is a consequence of public education’s protection from competition. What a teacher proposes and delivers may not be what students

Both the old industrial unions and the new professional unions sought to minimize not only the competition faced by public schools but also competition from other systems of teacher representation. Both were seen as threats to their special interests regardless of any benefit to education itself.

As teachers can only be truly professional by trusting their school's patrons to choose the services that best fit their preferences and standards, union leaders would be wise to cease making themselves or even their member-teachers the priority.

want or need. Worse, increasing teacher involvement in management may lead to an even more-regulated and bureaucratized school system, thus an all-the-more inefficient one.

For in the end what determines the worth of professionalism is consumer satisfaction. Merely changing the regulations that govern collective bargaining does not change this systemic fact: It is teachers and bureaucrats making decisions for parents and students rather than parents and students deciding their own fates.

Again, this is due to a union insistence on minimizing competition — that and an industry-wide arrogance that assumes those in authority possess more and superior knowledge.

Just as teachers can only be truly professional by trusting their school's patrons to choose the services that best fit their preferences and standards, union leaders would be wise to cease making themselves or even their member-teachers the top priority.

Conclusion

The purpose here was not to dictate how teacher unions should reform themselves or how teachers should run their classrooms or administrators their schools.

Nor does it claim to be comprehensive. There are unaddressed questions: 1) Are even Indiana's best schools of education, let alone privately controlled unions, capable of identifying those who would make good teachers; and 2) how does teacher professionalism coexist with the prerogatives of managers and principals?

The purpose, simply, is to begin a long-overdue policy discussion, one that seriously and independently evaluates the Indiana teacher as a professional.

Endnotes

1. David Monk. "Subject-Area Preparation of Secondary Mathematics and Science Teachers and Student Achievement." *Economics of Education Review*, Vol. 13, No. 2, pp. 125-145, 1994. (Quoted in "A Teacher Supply Policy for Education" by Linda Darling-Hammond and Gary Sykes, ed. Noel Epstein. *Who's in Charge Here? – The Tangled Web of*

School Governance and Policy, p. 173. Brookings Institution, 2004.)

2. Richard Kahlenberg. "The History of Collective Bargaining Among Teachers," ed. Jane Hannaway and Andrew Rotherham. *Collective Bargaining in Education: Negotiating Change in Today's Schools*, p. 9. Harvard Education Press, 2006.

3. According to Mr. Shanker "collective bargaining was essential to getting administrators to treat teachers like true professionals." (Quoted in Richard D. Kahlenberg. "The History of Collective Bargaining among Teachers," ed. Jane Hannaway and Andrew J. Rotherham. *Collective Bargaining in Education: Negotiating Change in Today's Schools*, p. 11. Harvard Education Press, 2006.)

4. Charles Freeland. "Public Education Without Romance — The Impact of Collective Bargaining on Indiana Schools." *The Indiana Policy Review*, Vol. 12, No. 3, winter 2001.

5. Julia Koppich. "The As-yet-Unfulfilled Promise of Reform Bargaining," ed. Jane Hannaway and Andrew Rotherham. *Collective Bargaining in Education: Negotiating Change in Today's Schools*, p. 208. Harvard Education Press, 2006.

6. Susan Moore Johnson and Susan Kardos. "Reform Bargaining and School Improvement," ed. Tom Loveless. *Conflicting Missions? Teacher Unions and Educational Reform*, p. 27. Brookings Institution, 2000.

7. Charles Taylor Kerchner and Julia Koppich. "Negotiating What Matters Most: Collective Bargaining and Student Achievement." *The American Journal of Education*, Vol. 113, No. 3. The University of Chicago Press, 2007.

8. Johnson and Kardos *op. cit.* p. 28.

9. Johnson and Kardos, *op. cit.* p. 29.

10. Johnson and Kardos, *ibid.*

11. David Maister. *True Professionalism: The Courage to Care about Your People, Your Clients and Your Career*, pp. 17-17. The Free Press, 1997.

12. Terry Moe. "Union Power and the Education of Children," ed. Jane Hannaway and Andrew J. Rotherham. *Collective Bargaining in Education: Negotiating Change in Today's Schools*, p. 253. Harvard Education Press, 2006.

13. Andrew Coulson. *Effects of Teachers' Unions on American Education*, p. 162. The Cato Institute, 2010.

APPENDIX I: A SURVEY OF THE LITERATURE

Compiler's Note: The below survey covers research and analysis on the general topic of collective bargaining in the public sector since 2000. The criteria for inclusion was how directly an article addressed the impact of mandatory union representation, particularly on the teaching profession and the quality of classroom education. — Hang La, staff

<i>Title</i>	<i>Author</i>	<i>Predilection</i>	<i>Discussion</i>
"How Teachers' Unions Affect Education Production." <i>The Quarterly Journal of Economics</i> , Vol. 111, No. 3, pp. 671-718. Oxford University Press (1996).	Caroline Hoxby	(Neutral)	Hoxby finds that teacher unionization increased school investment but decreased its productivity causing a decline in overall student performance. Efficiency-enhancing unions are likely to optimize school budgets in order to account for the positive externalities of education. Rent-seeking unions, however, tend to maximize non-educational purposes.
"Reform Bargaining and Its Promise for School Improvement, Conflicting Missions?" Teachers' Unions and Educational Reform, pp. 1-40. Brookings Institution Press (2000).	Susan Moore Johnson and Susan Kardos	(Neutral)	The authors examine the problems of industrial collective bargaining and its alternatives when applied to public education. By instilling the "factory model" on schools, unions create a system that treats teachers as interchangeable workers with uniform work rules. The authors contend that this standardization is inappropriate to such a profession and has the unintended effects of inflexibility and bureaucratic centralization. They suggest three options: 1) maintaining the current industrial model of collective bargaining; 2) eliminating collective bargaining altogether; or 3) reforming collective bargaining. The authors argue that the last has the greatest potential for achieving meaningful change. Serious reform of the bargaining system could allow the discussion to expand beyond the narrow financial interests of teachers to encompass the critical challenges of learning itself. They see this discussion being open to a school-by-school approach and focusing on both decentralization and capacity-building.
"History of Collective Bargaining Among Teachers" in <i>Collective Bargaining in Education: Negotiating Change in Today's Schools</i> , ed. Jane Hannaway and Andrew J. Rotherham, pp. 7-26. Harvard Education Press (2006).	Richard Kahlenberg	(Neutral)	Various experts take the reader through the changing arguments, functions and powers of the teachers' unions. From 1916 to 1959, collective bargaining was considered an exclusive tool of the private sector. Collective bargaining in the public sector was seen by some as an attempt to paralyze government itself. Also, unionism was associated with blue-collar workers of "lesser educational attainment," not professionals such as teachers. By the 1960s, however, there was rising discontent with pay and working conditions that eventually led to the legalization of collective bargaining for teachers in a few states. It became generally accepted that public employees had the same need to collectively bargain as did their private-sector counterpart. Most important perhaps, collective bargaining reinforced a sense of professionalism among teachers, one marked with "good pay, autonomy and freedom from arbitrary treatment by supervisors." Collective-bargaining contracts, initially confined to the issues of wages, hours and working conditions, soon expanded to include general school improvement and education reform. Unions began to argue that teachers, who possessed "special expertise," should be allowed to participate in the making of education policy with school boards and administrators in a joint effort to ensure quality education. By the late 1970s, the politicization of teachers had gone beyond collective bargaining to form special-interest lobbies shaping state and federal education policies.
"Union Membership in the United States." Hannaway <i>et al.</i> , pp. 27-52.	Henry Farber	(Opponent)	Farber shows that from 1984 to 2004, while private-sector employment grew at a faster rate than public-sector employment, the public-sector union membership rate rose to 37.1 percent. Private-sector union membership, in contrast, declined to a mere 8.2 percent. The author reinforces the familiar explication that this is because the private sector operates in a market and is thus under constant competition and economic discipline.*
"The Effects of Collective Bargaining on Teacher Quality." Hannaway <i>et al.</i> , pp. 111-140.	Susan Moore Johnson and Morgaen Donaldson	(Neutral)	The authors conclude that the variety of union policies and practices makes it impossible to find a definite relationship between collective bargaining and teacher quality. While policies that reinforce a rigid single-wage schedule or protect incompetent teachers act to compromise teacher quality, approaches that introduce merit pay and career promotion, create incentives for improved teacher performance. Overall, whether collective bargaining improves teacher quality depends on a willingness of teachers' unions to recognize and protect qualities generally associated with professionalism, <i>i.e.</i> , respect and trust within the membership, the district, the community and the student body.
"Are Teachers' Unions Good for Students?" Hannaway <i>et al.</i> , pp. 141-158.	Dan Goldhaber	(Neutral)	Goldhaber finds nothing in the literature to argue there is a direct link between teachers' unions and student achievement. Unions, however, contribute indirectly to the productivity of public education by: 1) altering school policies and practices; 2) publicly promoting the importance of education; and 3) influencing education reforms through political power.

** Competition requires private-sector firms to operate efficiently. That means having a flexible organization that the collective-bargaining system, however valuable its rigidity might be to public employees, cannot support. The private sector faces market discipline, meaning a potential loss of market share if a firm operates at a higher cost or turns out low-quality products as a result of union action. Any discipline in the public sector comes solely from complex*

APPENDIX I: A SURVEY OF THE LITERATURE

<i>Title</i>	<i>Author</i>	<i>Predilection</i>	<i>Discussion</i>
"The Educational Value of Democratic Voice: a Defense of Collective Bargaining in American Education." Hannaway <i>et al.</i> , pp. 181-202.	Leo Casey	(Proponent)	Casey rejects a common criticism that unions pursue only the "narrow economic self-interests" of their memberships. Unions, representing the voice of teachers, help democratize the organization of American schools, he notes. Collective bargaining, necessitating compromises between management and labor interests, is one of the ways unions exercise that democratic voice. Moreover, he sees unions evolving in a changing economic and education context from a "pure and simple" industrial model to a "center of educational expertise." This emerging post-industrial, more-professional unionism places an emphasis on teacher quality in Casey's eyes. He dismisses most critics of collective bargaining as proponents of "unfettered management authority."
"Do as I Say, Not as I Do: Collective Bargaining Inside the National Education Association." Capital Research Center (2004).	Mike Antonucci	(Opponent)	Antonucci offers a rare insight into the collective-bargaining processes within the national teachers' union itself. He examines the tense dynamics between the National Education Association's state affiliates and their own staff unions, as well as intrastate cases in Pennsylvania, Kentucky, Ohio, Missouri and elsewhere. It is contended that union management and their employees fight internally using the same tactics used externally against school boards — intimidation, physical violence and strikes. The union management focuses on protecting union assets. The unionized staff focuses on wages.
"Union Power and the Education of Children." Hannaway <i>et al.</i> , pp. 229-256.	Terry Moe	(Opponent)	The author builds a case that the teachers' unions, despite proclaiming themselves a progressive force, are the most hidebound force in American education. For the unions, the material interests of teachers take priority over the education of children. They use their power to protect the status quo and block changes that could potentially benefit students and as such are a major obstacle to classroom learning. Included is a recommendation on how to moderate unions and make them more productive by expanding accountability and choice. **
"The Costs of Collective Bargaining Agreements and Related District Policies." Hannaway <i>et al.</i> , pp. 89-110.	Paul Hill	(Opponent)	Hill argues that collective bargaining agreements and related district policies impose long-term consequences on schools, especially where teachers' unions are the most organized and the collective-bargaining process is most entrenched. Union insistence on a steady escalation of teachers' salaries independent of classroom effectiveness can cause schools to accumulate crippling debt. Also, agreements that grant union members exclusive privileges, as well as view teachers as mere "packages" of training and prior experiences, interfere with efficient operation and contrast with the free-market experience. Examples of repercussion are detailed, <i>i.e.</i> , limiting the quality of teachers available to struggling schools, limiting schools' control over their teaching force, destabilizing and underfunding schools in poor neighborhoods. More importantly, the author emphasizes that school officials who endorse these agreements must be held accountable by the public for the consequences.
"Negotiating What Matters Most: Collective Bargaining and Student Achievement." <i>American Journal of Education</i> , Vol. 113, No. 3, pp. 349-365. The University of Chicago Press (2007).	Charles Taylor Kerchner and Julia Koppich	(Neutral)	The authors note that until 1980 the scope of collective bargaining was confined to professional considerations such as wages, hours, terms and the conditions of employment. Since the 1980s, despite attempts to engage teachers in broader policy-making by expanding the scope of collective bargaining, unions have contributed little to general education progress and teacher professionalism has suffered as well in their view. It is suggested that public policy ensure that teachers' unions and school management place the nurturing of students over special interests. "What matters most in education" must be the highest priority in labor negotiation.
The Effects of Teachers' Unions on Education Production. Harvard Education Press (2006).	Michael Lovenheim	(Neutral)	Using data from three Midwestern states, Lovenheim finds that salaries, teacher-student ratios, per-student expenditures and dropout rates have remained constant despite a union presence.
"Collective Bargaining and the Performance of the Public Schools." <i>American Journal of Political Science</i> , Vol. 53, No. 1, pp. 156-174, Midwest Political Science Association (2009).	Terry Moe	(Opponent)	This study reinforces a reciprocal characteristic applicable not only to public education but to the public sector as a whole: Public employees garner power by organizing themselves in collective action and then use that power to pursue special rather than public interests. The influence of the resulting public-sector unions, which are private rather than public entities, is profound on federal, state and district policies. The author constructs a model showing that the restrictions of collective bargaining make education gains more difficult.
Effects of Teachers' Unions in American Education. Cato Institute (2010).	Andrew Coulson	(Opponent)	Teachers' unions are responsible for increasing members' wages and employment security but at a cost in flexible performance and an aptitude-based pay structure. It is argued that this has caused the loss of those teachers with the best records and richest experience while limiting opportunities in competing private schools. The precise extent that unions are responsible, however, is not made clear.

political process. Conversely, private-sector unions maintain a relatively simple regulatory role (wages, benefits, working conditions, settlement of workers' disputes) and do not play a political role that significantly affects firms' spending.

** First, by insisting that performance be measured and made public to increase pressure on unions; and second by allowing students and resources to leave public schools, forcing those schools to compete with nonunion ones.

APPENDIX II: SAMPLE LEGISLATION

Compiler's Note: This is draft legislation *sans* title and enacting clause. As such, it is open to revision. Even so, it makes a contribution to the political discussion, *to wit:* it gives you an idea of what Indiana law would look like without the concept of mandatory union representation for public-school teachers.

Indeed, most readers will struggle to find a stricken section where the honest response is, “No, Indiana can’t do without that.”

Following the style of the General Assembly, lines are drawn through words to signify passages to be ~~repeated~~ by the proposed legislation. Added wording is set in **boldface**.

It doesn’t produce the cleanest-looking bills but it makes it easier for anyone reading it to see what is

being changed, and it is the way the General Assembly prefers.

In addition, the editor has colored stricken wording in **blue** and added wording in **red**.

Parts of the existing law did not concern collective bargaining so I left them in the reformed version. Their inclusion, however, should not be understood to be an endorsement of their details.

One last point: Those who would reform education have at least two options with collective bargaining, either remove everything from the current law that relates to collective bargaining or actually add language that forbids school employers to bargain collectively. For the purpose of illustration, this draft attempts both.
— *Karl Born, J.D., adjunct scholar*

Nothing written here is to be construed as reflecting the views of the Indiana Policy Review Foundation or as an attempt to aid or hinder the passage of any bill before the legislature or to further any political campaign.

Indiana Code 20-29, as modified:

Chapter 1, as modified:

IC 20-29

ARTICLE 29. COLLECTIVE BARGAINING FOR TEACHERS

IC 20-29-1

Chapter 1. Findings and Intent

IC 20-29-1-1

Intent

Sec. 1. The general assembly declares the following:

(1) The citizens of Indiana have a fundamental interest in the development of harmonious and cooperative relationships between school corporations and their certificated employees.

(2) Recognition by school employers of the right of school employees to organize and acceptance of the principle and procedure of collective bargaining between school employers and school employee organizations can alleviate various forms of strife and unrest.

(3) The state has a basic obligation to protect the public by attempting to prevent any material interference with the normal public school educational process.

(4) The relationship between school corporation employers and certificated school employees is not comparable to the relationship between private employers and employees for the following reasons:

(A) A public school corporation is not operated for profit but to ensure the citizens of Indiana rights guaranteed them by the Constitution of the State of Indiana.

(B) The obligation to educate children and the methods by which the education is effected will change rapidly with:

(i) increasing technology;

(ii) the needs of an advancing civilization; and

(iii) requirements for substantial educational innovation.

(C) The general assembly has delegated the discretion to carry out this changing and innovative educational function to the governing bodies of school corporations, composed of citizens elected or appointed under applicable law, a delegation that these bodies may not and should not bargain away.

(D) Public school corporations have different obligations concerning certificated school employees under constitutional and statutory requirements than private employers have to their employees.

As added by P.L.1-2005, SEC.13.

Chapter 2, as modified:

IC 20-29-2

Chapter 2. Definitions

IC 20-29-2-1

Application of chapter

Sec. 1. The definitions in this chapter apply throughout this article.

As added by P.L.1-2005, SEC.13.

IC 20-29-2-2

“Bargain collectively”

Sec. 2. “Bargain collectively” **previously meant** means the performance of the mutual obligation of the school employer and the exclusive representative to:

(1) meet at reasonable times to negotiate in good faith concerning the items **formerly** enumerated in IC 20-29-6-4; and

(2) execute a written contract incorporating any agreement relating to the matters described in subdivision (1).

As added by P.L.1-2005, SEC.13.

IC 20-29-2-3

“Board”

Sec. 3. “Board” refers to the Indiana education employment relations board **which had been** established by IC 20-29-3-1.

As added by P.L.1-2005, SEC.13.

IC 20-29-2-4

“Certificated employee”

Sec. 4. “Certificated employee” means a person:

(1) whose contract with the school corporation requires that the person hold a license or permit from the division of professional standards of the department under

IC 20-28; or

(2) who is employed as a teacher by a charter school established under IC 20-24.

As added by P.L.1-2005, SEC.13. Amended by P.L.1-2007, SEC.145.

IC 20-29-2-5

“Confidential employee”

Sec. 5. “Confidential employee” means a school employee whose:

(1) unrestricted access to confidential personnel files; or

(2) functional responsibilities or knowledge in connection with the issues involved in dealings between the school corporation and its employees;

makes the school employee’s membership in a school employee organization incompatible with the school employee’s official duties.

As added by P.L.1-2005, SEC.13.

IC 20-29-2-6

“Deficit financing”

Sec. 6. “Deficit financing” for a budget year means actual expenditures exceeding the employer’s current year actual general fund revenue.

As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.7.

IC 20-29-2-7

“Discuss”

Sec. 7. “Discuss” means the performance of the **former** mutual obligation of the school corporation through its superintendent and the exclusive representative to meet at reasonable times to:

(1) discuss;

(2) provide meaningful input; or

(3) exchange points of view;

with respect to items **formerly** enumerated in

IC 20-29-6-7, **while this obligation was in force.**

As added by P.L.1-2005, SEC.13.

IC 20-29-2-8

“Employees performing security work”

Sec. 8. “Employees performing security work” means a school employee:

(1) whose primary responsibility is the protection of personal and real property owned or leased by the school corporation; or

(2) who performs police or quasi-police powers.

As added by P.L.1-2005, SEC.13.

IC 20-29-2-9

“Exclusive representative”

Sec. 9. “Exclusive representative” means the:

(1) school employee organization that **has been was formerly:**

(A) certified for purposes of this article by the board; or

(B) recognized by a school employer as the exclusive representative of the employees in an appropriate unit; under

IC 20-29-5-1 through

IC 20-29-5-5; or

(2) person or persons **formerly** authorized to act on behalf of a representative described in subdivision (1).

As added by P.L.1-2005, SEC.13.

IC 20-29-2-10

“Governing body”

Sec. 10. “Governing body” means:

- (1) a township trustee and the township board of a school township;
- (2) a county board of education;
- (3) a board of school commissioners;
- (4) a metropolitan board of education;
- (5) a board of trustees;
- (6) any other board or commission charged by law with the responsibility of administering the affairs of a school corporation;

or

(7) the body that administers a charter school established under

IC 20-24.

As added by P.L.1-2005, SEC.13.

IC 20-29-2-11

“Noncertificated employee”

Sec. 11. “Noncertificated employee” means a school employee whose employment is not dependent on the holding of a license or permit under

IC 20-28.

As added by P.L.1-2005, SEC.13.

IC 20-29-2-12

“School corporation”

Sec. 12. “School corporation” means a local public school corporation established under Indiana law. The term includes any:

- (1) school city;
- (2) school town;
- (3) school township;
- (4) consolidated school corporation;
- (5) metropolitan school district;
- (6) township school corporation;
- (7) county school corporation;
- (8) united school corporation;
- (9) community school corporation; and
- (10) public career and technical education center or school or school for children with disabilities established or maintained by two (2) or more school corporations.

As added by P.L.1-2005, SEC.13. Amended by P.L.234-2007, SEC.109.

IC 20-29-2-13

“School employee”

Sec. 13. “School employee” means a full-time certificated person in the employment of the school employer. A school employee is considered full time even though the employee does not work during school vacation periods and accordingly works less than a full year. The term does not include:

- (1) supervisors;
- (2) confidential employees;
- (3) employees performing security work; and
- (4) noncertificated employees.

As added by P.L.1-2005, SEC.13.

IC 20-29-2-14

“School employee organization”

Sec. 14. “School employee organization” means an organization that:

- (1) has school employees as members; and
- (2) as one (1) of its primary purposes, represents school employees in dealing with their school employer.

The term includes a person or persons authorized to act on behalf of the organization.

As added by P.L.1-2005, SEC.13.

IC 20-29-2-15

“School employer”

Sec. 15. “School employer” means:

- (1) the governing body of each:
 - (A) school corporation; or

(B) charter school established under

IC 20-24; and

(2) a person or persons authorized to act for the governing body of the school employer in dealing with its employees.

As added by P.L.1-2005, SEC.13.

IC 20-29-2-16

“Strike”

Sec. 16. “Strike” means:

- (1) concerted failure to report for duty;
- (2) willful absence from one’s position;
- (3) stoppage of work; or

(4) abstinence in whole or in part from the full, faithful, and proper performance of the duties of employment;

without the lawful approval of the school employer or in any concerted manner interfering with the operation of the school employer for any purpose.

As added by P.L.1-2005, SEC.13.

IC 20-29-2-17

Repealed

(Repealed by P.L.48-2011, SEC.39.)

IC 20-29-2-18

“Superintendent”

Sec. 18. “Superintendent” means:

- (1) the chief administrative officer of a:

(A) school corporation; or

(B) charter school established under

IC 20-24; or

(2) a person or persons designated by the officer or by the governing body to act in the officer’s behalf in dealing with school employees.

As added by P.L.1-2005, SEC.13.

IC 20-29-2-19

“Supervisor”

Sec. 19. “Supervisor” means an individual who has:

(1) authority, acting for the school corporation, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline school employees;

(2) responsibility to direct school employees and adjust their grievances; or

(3) responsibility to effectively recommend the action described in subdivisions (1) through (2); that is not of a merely routine or clerical nature but requires the use of independent judgment. The term includes superintendents, assistant superintendents, business managers and supervisors, directors with school corporationwide responsibilities, principals and vice principals, and department heads who have responsibility for evaluating teachers.

As added by P.L.1-2005, SEC.13.

Chapter 3, as modified:

IC 20-29-3

~~Chapter 3. Indiana Education Employment Relations Board~~

IC 20-29-3-1

~~Establishment of board~~

~~—Sec. 1. The Indiana education employment relations board is established.~~

~~*As added by P.L.1-2005, SEC.13.*~~

IC 20-29-3-2

~~Members~~

~~—Sec. 2. The board consists of three (3) members appointed by the governor to serve at the governor’s pleasure.~~

~~*As added by P.L.1-2005, SEC.13.*~~

IC 20-29-3-3

~~Chairperson~~

~~—Sec. 3. The governor shall designate one (1) member of the board to serve as chairperson.~~

~~*As added by P.L.1-2005, SEC.13.*~~

IC 20-29-3-4

~~Political affiliation of board members~~

~~—Sec. 4. Not more than two (2) members of the board may be members of the same political party.~~

~~*As added by P.L.1-2005, SEC.13.*~~

IC 20-29-3-5

~~Terms and vacancies~~

—Sec. 5. Each member of the board is appointed for a term of four (4) years. A member appointed to fill a vacancy is appointed for the unexpired term of the member whom the appointed member is to succeed.

As added by P.L. 1-2005, SEC. 13.

IC 20-29-3-6

Qualifications

—Sec. 6. Members may not:

—(1) hold:

—(A) another public office; or

—(B) employment by the state, a public agency, or a public employer;

—(2) be an officer or employee of a school employee organization or any affiliate of an organization; or

—(3) represent a:

—(A) school employer; or

—(B) school employee organization, or an organization's affiliates.

As added by P.L. 1-2005, SEC. 13.

IC 20-29-3-7

Member on university teaching staff

—Sec. 7. Section 6 of this chapter does not apply to an individual on the teaching staff of a university who is knowledgeable in public administration or labor law if the individual is not actively engaged, other than as a member, with any labor or employee organization. This section shall be construed liberally to effectuate the intent of the general assembly.

As added by P.L. 1-2005, SEC. 13.

IC 20-29-3-8

Chairperson's duties

—Sec. 8. The chairperson of the board shall give full time to the chairperson's duties and may not engage in any other business, vocation, or employment.

As added by P.L. 1-2005, SEC. 13.

IC 20-29-3-9

Compensation

—Sec. 9. The members of the board (other than the chairperson) receive as compensation payment equal to that of the chairperson; computed on a daily rate and paid for every day actually spent serving on the board.

As added by P.L. 1-2005, SEC. 13.

IC 20-29-3-10

Quorum

—Sec. 10. Two (2) members of the board constitute a quorum.

As added by P.L. 1-2005, SEC. 13.

IC 20-29-3-11

Powers

—Sec. 11. The board has the following powers:

—(1) To adopt an official seal and prescribe the purposes for which the seal may be used;

—(2) To hold hearings and make inquiries as the board considers necessary to carry out properly the board's functions and powers:

—(3) To establish a principal office in Indianapolis;

—(4) To meet and exercise the board's powers at any other place in Indiana;

—(5) To conduct in any part of Indiana a proceeding, a hearing, an investigation, an inquiry, or an election necessary to the performance of the board's functions. For this purpose, the board may designate one (1) member, or an agent or agents, as hearing examiners. The board may use voluntary and uncompensated services as needed:

—(6) To appoint staff and attorneys as the board finds necessary for the proper performance of its duties. The attorneys appointed under this section may, at the direction of the board;

appear for and represent the board in court;

—(7) To pay the reasonable and necessary traveling and other expenses of an employee, a member, or an agent of the board:

—(8) To subpoena witnesses and issue subpoenas requiring the production of books, papers, records, and documents that may be needed as evidence in any matter under inquiry, and to administer oaths and affirmations. In cases of neglect or refusal to obey a subpoena issued to a person, the circuit or superior court of the county in which the investigations or the public hearings are taking place, upon application by the board, shall issue an order requiring the person to:

—(A) appear before the board; and

—(B) produce evidence about the matter under investigation.

A failure to obey the order may be punished by the court as a contempt. A subpoena, notice of hearing, or other process of the board issued under this chapter shall be served in the manner prescribed by the Indiana Rules of Trial Procedure:

—(9) To adopt, amend, or rescind rules the board considers necessary and administratively feasible to carry out this chapter under

~~IC 4-22-2.~~

~~—(10) To request from any public agency the assistance, services, and data that will enable the board properly to carry out the board's functions and powers;~~

~~—(11) To publish and report in full an opinion in every case decided by the board.~~

~~As added by P.L.1-2005, SEC.13:~~

IC 20-29-3-12

Repealed

(Repealed by P.L.48-2011, SEC.39.)

IC 20-29-3-13

Repealed

(Repealed by P.L.48-2011, SEC.39.)

IC 20-29-3-14

Research division

~~—Sec. 14. The board's research division must be organized to provide:~~

~~—(1) statistical data on the resources of each school corporation;~~

~~—(2) the substance of any agreements reached by each school corporation; and~~

~~—(3) other relevant data.~~

~~As added by P.L.1-2005, SEC.13:~~

Chapter 4, as modified:

IC 20-29-4

Chapter 4. Rights and Responsibilities of School Employees and Employers

IC 20-29-4-1

Rights of school employees

Sec. 1. School employees may:

(1) form, join, or assist school employee organizations; **and**

~~(2) participate in collective bargaining with school employers through representatives of their own choosing; and~~

~~—(3)(2) engage in other activities, individually or in concert, **not including collective bargaining;**~~

to establish, maintain, or improve salaries, wages, salary and wage related fringe benefits, and other matters set forth in

IC 20-29-6-4 and

IC 20-29-6-5.

~~As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.8; P.L.229-2011, SEC.177.~~

IC 20-29-4-2

School employee not required to join or financially support school employee organization

Sec. 2. (a) A school employee may not be required to join or financially support through the payment of:

(1) fair share fees;

(2) representation fees;

(3) professional fees; or

(4) other fees;

a school employee organization.

(b) A rule, regulation, or contract provision requiring financial support from a school employee to a school employee organization is void.

~~As added by P.L.1-2005, SEC.13.~~

IC 20-29-4-3

Responsibilities of school employers

Sec. 3. School employers have the responsibility and authority to manage and direct on behalf of the public the operations and activities of the school corporation to the full extent authorized by law, including but not limited to the following:

(1) Direct the work of the school employer's employees.

(2) Establish policy ~~through procedures established in-~~

~~IC 20-29-6-4 and-~~

~~IC 20-29-6-5.~~

(3) Hire, promote, demote, transfer, assign, and retain employees.

(4) Suspend or discharge employees in accordance with applicable law through procedures established under state law.

(5) Maintain the efficiency of school operations.

(6) Relieve employees from duties because of lack of work or other legitimate reason ~~through procedures established in-~~
~~IC 20-29-6-4, IC 20-29-6-5, and IC 20-29-6-7.~~

(7) Take actions necessary to carry out the mission of the public schools as provided by law.

~~As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.9.~~

Chapter 5, as modified:

IC 20-29-5

Chapter 5. Units and Exclusive Representatives

IC 20-29-5-1

Exclusive representatives; selection of unit

—Sec. 1. (a) The exclusive representative shall serve for school employees within certain groups referred to in this chapter as units or bargaining units. A bargaining unit may not contain both certificated and noncertificated employees. Subject to this limitation, the units for which an exclusive representative serves are determined in accordance with subsections (b) through (d):

—(b) The parties may agree on the appropriate unit. For this purpose, the parties consist of the school employer and a school employee organization representing at least twenty percent (20%) of the school employees in a proposed unit:

—(c) If the parties do not reach an agreement on the appropriate unit, or if a school employee in the proposed unit files a complaint about the unit with the board, the board shall determine the proper unit after a hearing. The board's decision must be based on but not limited to the following considerations:

—(1) Efficient administration of school operations:

—(2) The existence of a community of interest among school employees:

—(3) The effects on the school corporation and school employees of fragmentation of units:

—(4) Recommendations of the parties involved:

—(d) In making a determination under subsection (c), the board shall give notice to all interested parties in accordance with the rules of the board. In giving notice under this subsection, the board is not required to follow IC 4-21-5:

As added by P.L.1-2005, SEC.13:

IC 20-29-5-2

Recognition of school employer organization as exclusive representative by school employer

—Sec. 2. (a) A school employer may recognize as the exclusive representative of the school employer's employees within an appropriate unit a school employee organization that presents to the employer evidence of the school employee organization's representation of a majority of the school employees within the unit, unless:

—(1) another school employee organization representing twenty percent (20%) of the school employees within the unit files written objections to the recognition; or

—(2) a school employee files a complaint to the composition of the unit with the school employer or the board within the notice period set forth in this section:

—(b) Before recognizing an exclusive representative under this section, the school employer shall post a written public notice of the school employer's intention to recognize the school employee organization as exclusive representative of the school employees within the unit. The notice must be posted, for thirty (30) calendar days immediately preceding recognition, in each of the buildings where the school employees in any unit principally work:

As added by P.L.1-2005, SEC.13:

IC 20-29-5-3

Determination of exclusive representative other than exclusive school employee organization

—Sec. 3. (a) If an exclusive school employee organization is not determined under section 2 of this chapter, the determination of whether a school employee organization shall be the exclusive representative shall be determined under this section:

—(b) A school employee organization may file a petition asserting that:

—(1) twenty percent (20%) of the employees in an appropriate unit wish to be represented for collective bargaining by the school employee organization as exclusive representative; or

—(2) the designated exclusive representative is no longer the representative of the majority of school employees in the unit:

—(c) The school employer may file a petition asserting:

—(1) that one (1) or more school employee organizations have presented to the school employer a claim to be recognized as the exclusive representative in an appropriate unit; or

—(2) that the school employer has good faith doubt that the previously certified school employee organization represents a majority of employees in the bargaining unit:

—(d) Twenty percent (20%) of the school employees in a unit may file a petition asserting that the designated exclusive representative is no longer the representative of the majority of school employees in the unit:

—(e) The board shall investigate a petition filed under subsection (b), (c), or (d). If the board has reasonable cause to believe that a question exists as to whether the designated exclusive representative or any school employee organization represents a majority of the school employees in a unit, the board shall provide for an appropriate hearing within thirty (30) days. In holding a hearing, the board is not required to comply with

IC 4-21-5:

—(f) If the board finds, based on the record of a hearing held under subsection (e), that a question of representation exists, the board shall direct an election by secret ballot in a unit the board determines to be appropriate:

—(g) Certification as the exclusive representative may be granted only to a school employee organization that has been selected in a secret ballot election under subsection (f), by a majority of all the employees in an appropriate unit as their representative:

—(h) An election described in subsection (f) may not be held in a bargaining unit if a valid election has been held in the preceding twenty-four (24) month period:

As added by P.L.1-2005, SEC.13. Amended by P.L.1-2006, SEC.333.

IC 20-29-5-4

Elections

—Sec. 4. In any election under this chapter, the board shall:

—(1) determine who is eligible to vote in the election; and

—(2) establish rules governing the election:

As added by P.L.1-2005, SEC.13:

IC 20-29-5-5

Ballots

—Sec. 5. The ballot in an election under this chapter must contain the following:

—(1) The name of the petitioning school employee organization;

—(2) The names of any other school employee organization showing written evidence satisfactory to the board of at least twenty percent (20%) representation of the school employees within the unit;

—(3) A provision for choosing “No representation by a school employee organization.”;

As added by P.L.1-2005, SEC.13:

IC 20-29-5-6

Dues deductions

—Sec. 6. (a) The school employer shall, on receipt of the written authorization of a school employee:

—(1) deduct from the pay of the employee any dues designated or certified by the appropriate officer of a school employee organization that is an exclusive representative of any employees of the school employer; and

—(2) remit the dues described in subdivision (1) to the school employee organization;

—(b) Deductions under this section must be consistent with:

—(1) IC 22-2-6;

—(2) IC 22-2-7; and

—(3) IC 20-28-9-18.

As added by P.L.1-2005, SEC.13:

IC 20-29-5-7

Teacher members on committees

—Sec. 7. (a) This section does not apply to the bargaining team for the exclusive representative.

—(b) The percentage of teacher positions the exclusive representative may appoint to serve on a statutory or locally created district wide committee may not exceed the percentage of teachers in the school corporation who are members of the exclusive representative. If multiplying the number of teacher positions on the committee by the percentage of teachers in the school corporation who are members of the exclusive representative does not produce a whole number, the product must be rounded up to the nearest whole number. The percentage of positions applies to the number of teacher positions on a committee and not to the total number of positions on a committee.

—(c) The percentage of teacher positions the exclusive representative may appoint to serve on a statutory or locally created school wide committee may not exceed the percentage of teachers in the school who are members of the exclusive representative. If multiplying the number of teacher positions on the committee by the percentage of teachers in the school who are members of the exclusive representative does not produce a whole number, the product must be rounded up to the nearest whole number. The percentage of positions applies to the number of teacher positions on a committee and not to the total number of positions on a committee.

—(d) A committee to which this section applies may not address subjects of bargaining under this article. A school employer's appointment of a teacher to a committee is not an unfair practice as it relates to the appointment of the teacher committee members.

—(e) By September 15 of each school year, the local president or other officer or designee of the exclusive representative shall certify by affidavit to the school employer the number of teachers in each school and in the entire school corporation who are members of the exclusive representative.

As added by P.L.48-2011, SEC.10:

Chapter 6, as modified:

IC 20-29-6

Chapter 6. Collective Bargaining

IC 20-29-6-1

Duty to bargain collectively and discuss

—Sec. 1. School employers and school employees shall:

—(1) have the obligation and the right to bargain collectively the items set forth in section 4 of this chapter;

—(2) have the right and obligation to discuss any item set forth in section 7 of this chapter; and

—(3) enter into a contract embodying any of the matters listed in section 4 of this chapter on which they have bargained collectively.

As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.11:

IC 20-29-6-2

Contracts

Sec. 2. (a) Any contract may not include provisions that conflict with:

(1) any right or benefit established by federal or state law;

(2) school employee rights set forth in IC 20-29-4-1 and IC 20-29-4-2;

- (3) school employer rights set forth in IC 20-29-4-3;
- (4) restructuring options available to a school employer under federal or state statutes, regulations, or rules because of the failure of the school corporation or a school to meet federal or state accountability standards;
- (5) a school employer's ability to contract, partner, or operate jointly with an educational entity that provides postsecondary credits to students of the school employer or dual credits from the school employer and the educational entity; or
- (6) section 4.5(a) of this chapter.

(b) A subject that is set forth in section 4.5(a) of this chapter may not be included in any contract after June 30, 2011.

As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.12.

IC 20-29-6-3

Unlawful deficit financing

Sec. 3. (a) It is unlawful for a school employer to enter into any agreement that would place the employer in a position of deficit financing due to a reduction in the employer's actual general fund revenue or an increase in the employer's expenditures when the expenditures exceed the employer's current year actual general fund revenue.

(b) A contract that provides for deficit financing is void to that extent, and an individual teacher's contract executed under the contract is void to that extent.

As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.13.

IC 20-29-6-4

Subjects of bargaining

~~—Sec. 4. (a) A school employer shall bargain collectively with the exclusive representative on the following:~~

~~—(1) Salary;~~

~~—(2) Wages;~~

~~—(3) Salary and wage related fringe benefits, including accident, sickness, health, dental, vision, life, disability, retirement benefits, and paid time off as permitted to be bargained under IC 20-28-9-11.~~

~~—(b) Salary and wages include the amounts of pay increases available to employees under the salary scale adopted under IC 20-28-9-1, but do not include the teacher evaluation procedures and criteria, or any components of the teacher evaluation plan, rubric, or tool.~~

~~*As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.14.*~~

IC 20-29-6-4.5

Prohibited subjects of collective bargaining

Sec. 4.5. (a) For a contract entered into after June 30, 2011, a school employer may not bargain collectively with the exclusive representative on the following:

(1) The school calendar.

(2) Teacher dismissal procedures and criteria.

(3) Restructuring options available to a school employer under federal or state statutes, regulations, or rules because of the failure of the school corporation or a school to meet federal or state accountability standards.

(4) The ability of a school employer to contract, partner, or operate jointly with an educational entity that provides postsecondary credits to students of the school employer or dual credits from the school employer and the educational entity.

(5) Any **subject not expressly listed in section 4 of this chapter other subject.**

(b) A subject set forth in subsection (a) that may not be bargained collectively may not be included in an agreement entered into under this article.

As added by P.L.48-2011, SEC.15.

IC 20-29-6-4.7

Bargaining on teacher evaluation procedures and criteria prohibited; duration of contract

Sec. 4.7. (a) A school employer may not bargain collectively with the exclusive representative on teacher evaluation procedures and criteria after this section has been enacted into law.

(b) A contract entered into between a school employer and an exclusive representative after this section has been enacted into law may not extend past the end of a state budget biennium.

As added by P.L.48-2011, SEC.16.

IC 20-29-6-5

Grievance procedure

Sec. 5. A contract entered into under this chapter may contain a grievance procedure.

As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.17.

IC 20-29-6-6

Limitations on obligation to bargain collectively

~~—Sec. 6. The obligation to bargain collectively does not include the final approval of a contract concerning any items. Agreements reached through collective bargaining are binding as a contract only if ratified by the governing body of the school corporation and the exclusive representative. The obligation to bargain collectively does not require the school employer or the exclusive representative to agree to a proposal of the other or to make a concession to the other.~~

~~*As added by P.L.1-2005, SEC.13.*~~

IC 20-29-6-7

Subjects of discussion

~~—Sec. 7. A school employer shall discuss with the exclusive representative of certificated employees the following items:~~

~~—(1) Curriculum development and revision;~~

~~—(2) Textbook selection;~~

~~—(3) Teaching methods;~~

~~—(4) Hiring, evaluation, promotion, demotion, transfer, assignment, and retention of certificated employees;~~

~~—(5) Student discipline;~~

~~—(6) Expulsion or supervision of students;~~

~~—(7) Pupil/teacher ratio;~~

~~—(8) Class size or budget appropriations;~~

~~—(9) Safety issues for students and employees in the workplace, except those items required to be kept confidential by state or federal law;~~

~~—(10) Hours;~~

~~As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.18:~~

IC 20-29-6-8

Contract, agreement, or concession not required

~~Sec. 8. The obligation to discuss does not require either party to enter into a contract, agree to a proposal, or make a concession related to the items listed in section 7 of this chapter. A failure to reach an agreement on a matter of discussion does not allow the use of any part of the impasse procedure under~~

~~IC 20-29-8.~~

~~As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.19:~~

IC 20-29-6-9

Discussions outside obligation to bargain collectively

~~Sec. 9. The obligation to bargain collectively or discuss a matter does not prevent~~**Nothing in this Article may be so applied as to prevent:**

(1) a school employee from petitioning the school employer, governing body, or superintendent for a redress of the employee's grievances, either individually or through ~~the exclusive~~ a representative; or

(2) the school employer or superintendent from conferring with a citizen, taxpayer, student, school employee, or other person considering the operation of the schools and the school corporation.

~~As added by P.L.1-2005, SEC.13.~~

IC 20-29-6-10

Recommendations by superintendent

Sec. 10. Nothing shall prevent a superintendent or the superintendent's designee from making recommendations to the school employer.

~~As added by P.L.1-2005, SEC.13.~~

IC 20-29-6-11

Repealed

~~(Repealed by P.L.48-2011, SEC.39; P.L.90-2011, SEC.50.)~~

IC 20-29-6-12

Commencement of collective bargaining

~~Sec. 12. Formal collective bargaining between a school corporation and the exclusive representative shall not begin before:~~

~~—(1) August 1 in the first year of the state budget biennium; or~~

~~—(2) August 1 in the second year of the state budget biennium if the parties agreed to a one (1) year contract during the first year of the state budget biennium or the contract provides for renegotiating certain financial items the second year of a two (2) year contract;~~

~~Informal negotiations may be held before August 1.~~

~~As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.20; P.L.229-2011, SEC.178:~~

IC 20-29-6-12.5

Certification of estimated available revenue

Sec. 12.5. (a) Before August 1 of the first year of the state budget biennium, the department shall provide the parties with an estimate of the general fund revenue available for bargaining in the school corporation from the school funding formula.

—(b) Within thirty (30) days after the date of the first state ADM count date of the school year in the first year of the state budget biennium, the department shall provide the parties with a certification of estimated general fund revenue available for bargaining from the school funding formula. A school employer that has passed a general fund operating referendum under

IC 20-46-1 must have that amount certified by the department of local government finance. The school corporation must obtain the certification before the commencement of bargaining. These certifications must be the basis for determinations throughout impasse proceedings under this chapter.

~~As added by P.L.48-2011, SEC.21. Amended by P.L.229-2011, SEC.179:~~

IC 20-29-6-13

Appointment of mediator

Sec. 13. (a) At any time after at least sixty (60) days following the beginning of formal bargaining collectively between the parties, an impasse is declared, and the board shall appoint a mediator from the board's staff or an ad hoc panel:

—(b) The mediator shall begin mediation with fifteen (15) days after the board receives notice of impasse:

—(c) The mediation must consist of not more than three (3) mediation sessions and must result in one (1) of the following:

—(1) An agreement between the parties on the items permitted to be bargained under section 4 of this chapter.

—(2) Each party's last best offer, including fiscal rationale, related to items permitted to be bargained under section 4 of this chapter:

—(d) Costs for the mediator shall be borne equally by the parties:

—(e) Mediation shall be completed within thirty (30) days:

As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.22; P.L.229-2011, SEC.180.

IC 20-29-6-14

Repealed

(Repealed by P.L.48-2011, SEC.39.)

IC 20-29-6-15

Repealed

(Repealed by P.L.48-2011, SEC.39.)

IC 20-29-6-15.1

Initiation of fact finding

Sec. 15.1. (a) If an agreement has not been reached on the items permitted to be bargained collectively under section 4 of this chapter, within fifteen (15) days after mediation under section 13 of this chapter has ended, the board shall initiate factfinding:

—(b) Factfinding must culminate in the factfinder imposing contract terms on the parties. The factfinder must select one (1) party's last best offer as the contract terms. The factfinder's order must be restricted to only those items permitted to be bargained and included in the collective bargaining agreement under section 4 of this chapter and must not put the employer in a position of deficit financing (as defined in

IC 20-29-2-6). The factfinder's order may not impose terms beyond those proposed by the parties in their last, best offers.

—(c) Costs for the factfinder shall be borne equally by the parties:

—(d) Factfinding may not last longer than fifteen (15) days:

As added by P.L.229-2011, SEC.181.

IC 20-29-6-16

Continuation of existing agreement; circumstances

Sec. 16. (a) If an agreement has not been reached on the items to be bargained collectively by November 1, as provided in IC 6-1.1-17-5, the parties shall continue the terms of the current contract that is in effect, and the school employer may issue tentative individual contracts and prepare its budget on that basis. During this period, in order to allow the successful resolution of the dispute, the school employer may not unilaterally change the terms or conditions of employment that are issues in dispute:

—(b) Upon the expiration of the current contract that is in effect, the school employer shall continue under the terms of the current contract that is in effect, with no increase or increment in salary, wages, or benefits for any bargaining unit employee until a new contract is executed, unless continuation would put the school employer in a position of deficit financing due to a reduction in the employer's actual general fund revenue or an increase in an employer's expenditures when the expenditures exceed the current year actual general fund revenue:

—(c) The only parts of the contract that must continue under this section are the items contained in the contract and listed in section 4 of this chapter:

—(d) This section may not be construed as relieving the school employer or the school employee organization from the duty to bargain collectively until a mutual agreement has been reached and a contract entered as called for in this chapter:

As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.24; P.L.229-2011, SEC.182.

IC 20-29-6-17

Repealed

(Repealed by P.L.48-2011, SEC.39.)

IC 20-29-6-18

Appeal of factfinder's decision

Sec. 18. (a) Either party may appeal the decision of the factfinder under

IC 20-29-6-15. The appeal must be filed not later than thirty (30) days after receiving the factfinder's decision:

—(b) The board's decision must be restricted to only those items permitted to be bargained and included in the collective bargaining agreement under section 4 of this chapter and must not put the employer in a position of deficit financing, as defined in

IC 20-29-2-6. The board's decision may not impose terms beyond those proposed by the parties in their last, best offers:

—(c) The board must rule on the appeal within thirty (30) days after receipt of notice of appeal:

As added by P.L.48-2011, SEC.25.

Chapter 7, as modified:

IC 20-29-7

Chapter 7. Unfair Practices

IC 20-29-7-1

Unfair practices by school employer

Sec. 1. (a) It is an unfair practice for a school employer to do any of the following:

(1) Interfere with, restrain, or coerce school employees in the exercise of the rights guaranteed in

IC 20-29-4.

(2) Dominate, interfere, or assist in the formation or administration of any school employee organization or contribute financial or other support to the organization. Subject to rules adopted by the governing body, a school employer may permit school employees to confer with the school employer or with any school employee organization during working hours without loss of time or pay.

(3) Encourage or discourage membership in any school employee organization through discrimination in regard to:

(A) hiring;

(B) tenure of employment; or

(C) any term or condition of employment.

(4) Discharge or otherwise discriminate against a school employee because the employee has filed a complaint, affidavit, petition, or any information or testimony under this article.

(5) Refuse to:

(A) bargain collectively; or

(B) discuss;

with an exclusive representative as required by this article.

(6) Fail or refuse to comply with any provision of this article.

(b) If:

(1) a complaint is filed that alleges an unfair practice has occurred with respect to a subject that may be discussed under this article; and

(2) the complaint is found to be frivolous;

the party that filed that complaint is liable for costs and attorney's fees.

As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.26.

IC 20-29-7-2

Unfair practices by school employee organization

Sec. 2. It is an unfair practice for a school employee organization or the organization's agents to do any of the following:

(1) Interfere with, restrain, or coerce:

(A) school employees in the exercise of the rights guaranteed by this article; or

(B) a school employer in the selection of its representatives for the purpose of ~~bargaining collectively~~, discussing, or adjusting grievances.

This subdivision does not impair the right of a school employee organization to adopt its own rules with respect to the acquisition or retention of membership in the school employee organization.

(2) Cause or attempt to cause a school employer to discriminate against an employee in violation of section 1 of this chapter.

(3) ~~Refuse to bargain collectively with a school employer if the school employee organization is the exclusive representative.~~

~~—(4) Fail or refuse to comply with any provision of this article.~~

As added by P.L.1-2005, SEC.13.

IC 20-29-7-3

Right of school employer or school employee organization to bring suit

Sec. 3. This chapter does not in any way restrict the right of a:

(1) school employer; or

(2) school employee organization;

to bring suit for specific performance or breach of performance, or both, of a collective bargaining contract in any court having jurisdiction.

As added by P.L.1-2005, SEC.13.

IC 20-29-7-4

Prevention of unfair practices

Sec. 4. (a) Unfair practices are remediable under this section.

(b) A school employer or a school employee who believes the employer or employee is aggrieved by an unfair practice may file a complaint under oath:

(1) setting out a summary of the facts involved; and

(2) specifying the section or sections of this article alleged to have been violated.

(c) The board shall:

(1) give notice to the person or school employee organization against whom the complaint is directed; and

(2) determine the matter raised in the complaint.

(d) Appeals may be taken under

IC 4-21.5-3.

(e) A hearing examiner or agent of the board, who may be a member of the board, may:

(1) take testimony; and

(2) make findings and conclusions.

(f) The board, but not a hearing examiner or agent of the board, may enter the interlocutory orders, after summary hearing, the board considers necessary in carrying out the intent of this chapter.

As added by P.L.1-2005, SEC.13.

Chapter 8, as modified:

IC 20-29-8

Chapter 8. Impasse Procedures

IC 20-29-8-1

Repealed

(Repealed by P.L.48-2011, SEC.39.)

IC 20-29-8-2

Repealed

(Repealed by P.L.48-2011, SEC.39.)

IC 20-29-8-3

Repealed

(Repealed by P.L.48-2011, SEC.39.)

IC 20-29-8-4

Repealed

(Repealed by P.L.48-2011, SEC.39.)

IC 20-29-8-5

Purpose of factfinding

— Sec. 5. The purpose of factfinding is to provide a final solution on the items permitted to be bargained under IC 20-29-6-4 whenever the parties are unable by themselves, or through a mediator, to resolve a dispute.

As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.27.

IC 20-29-8-6

Repealed

(Repealed by P.L.48-2011, SEC.39.)

IC 20-29-8-7

Appointment of factfinder

— Sec. 7. (a) When a factfinder is requested or required under

IC 20-29-6, the board shall appoint a factfinder from the staff or panel established under section 6 of this chapter:

— (b) The factfinder shall make an investigation and hold hearings as the factfinder considers necessary in connection with a dispute:

— (c) The factfinder:

— (1) may restrict the factfinder's findings to those issues that the factfinder determines significant;

— (2) must restrict the findings to the items listed in

IC 20-29-6-4; and

— (3) may not impose terms beyond those proposed by the parties in their last, best offers:

— (d) The factfinder may use evidence furnished to the factfinder by:

— (1) the parties;

— (2) the board;

— (3) the board's staff; or

— (4) any other state agency.

— (e) The factfinder shall conduct the factfinding hearing in public in a room or facility owned by the county or local unit of government located in the county in which the school employer is located, or if the school employer is located in more than one (1) county, in the county in which the greatest number of students who attend the school employer's schools reside. The public hearing may begin not earlier than October 1 in the first year of the state budget biennium and must be concluded by December 31 of the same year:

— (f) The factfinding process may not exceed fifteen (15) days from beginning to end, and not more than two (2) of those days may be used for public testimony, which may be taken at the discretion of the factfinder. During the public hearing, each party shall present fully its last, best offer, including the fiscal rationale for the offer. Only general operating funds and those funds certified by the department of education and the department of local government finance may be considered as a source of the funding for items, unless the school funding formula allows other funds to be used for certain items:

— (g) The factfinder shall make a recommendation as to the settlement of the disputes over which the factfinder has jurisdiction:

— (h) The factfinder shall:

— (1) make the investigation, hearing, and findings as expeditiously as the circumstances permit; and

— (2) deliver the findings to the parties and to the board:

— (i) The board, after receiving the findings and recommendations, may make additional findings and recommendations to the parties based on information in:

— (1) the report; or

—(2) the board's own possession.

The board may not make any recommendations to the parties related to any items not specifically identified in

IC 20-29-6-4:

—(j) At any time within five (5) days after the findings and recommendations are delivered to the board, the board may make the findings and recommendations of the factfinder and the board's additional findings and recommendations, if any, available to the public through news media and other means the board considers effective.

—(k) The board shall make the findings and recommendations described in subsection (j) available to the public not later than ten (10) days after the findings and recommendations are delivered to the board:

As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.28; P.L.229-2011, SEC.183.

IC 20-29-8-8

Factors considered by factfinder

—Sec. 8. In conducting hearings and investigations, the factfinder is not bound by

IC 4-21-5. The factfinder shall, however, consider the following factors:

—(1) Past memoranda of agreements and contracts between the parties:

—(2) Comparisons of wages and hours of the employees involved with wages of other employees working for other public agencies and private concerns doing comparable work, giving consideration to factors peculiar to the school corporation:

—(3) The public interest.

—(4) The financial impact on the school corporation and whether any settlement will cause the school corporation to engage in deficit financing as described in

IC 20-29-6-3.

As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.29.

IC 20-29-8-9

Repealed

(Repealed by P.L.48-2011, SEC.39.)

IC 20-29-8-10

Repealed

(Repealed by P.L.48-2011, SEC.39.)

IC 20-29-8-10.1

Prohibition; serving as mediator and factfinder

—Sec. 10.1. A person who has served as a mediator in a dispute between a school employer and an exclusive representative may not serve as a factfinder in a dispute arising in the same school corporation within a period of five (5) years except by the mutual consent of the parties:

As added by P.L.229-2011, SEC.184.

IC 20-29-8-11

Repealed

(Repealed by P.L.48-2011, SEC.39.)

IC 20-29-8-12 Version a

Payment of expenses by board

—Note: This version of section amended by P.L.48-2011, SEC.31. See also following version of this section repealed by P.L.229-2011, SEC.274.

—Sec. 12. The board shall pay the cost of an arbitrator, which shall be reimbursed equally by the two (2) parties under procedures for collection and payment established by the board:

As added by P.L.1-2005, SEC.13. Amended by P.L.48-2011, SEC.31.

IC 20-29-8-12 Version b

Repealed

(Repealed by P.L.229-2011, SEC.274.)

Note: This section repealed by P.L.229-2011, SEC.274. See also preceding version of this section amended by P.L.48-2011, SEC.31.

IC 20-29-8-13

Repealed

(Repealed by P.L.48-2011, SEC.39.)

IC 20-29-8-13.1

Findings and recommendations of factfinder; distribution; review

—Sec. 13.1. (a) The investigation, hearing, and findings of the factfinder must be:

—(1) made as expeditiously as the circumstances allow; and

—(2) delivered to the parties and to the board.

—(b) The board, after receiving the findings and recommendations under subsection (a), may make additional findings and recommendations to the parties based upon information in the report or in the board's possession. The board may not make any recommendations to the parties related to any items not specifically identified in

IC 20-29-6-4 and may not address items beyond those proposed by the parties in their last, best offers:

—(c) The board:

~~— (1) may, at any time within five (5) days; and~~

~~— (2) shall, within ten (10) days;~~

~~after receiving the findings and recommendations delivered under subsection (a), make the findings and recommendations of the factfinder and the board's additional findings and recommendations, if any, available to the public through the news media and any other means:~~

~~As added by P.L.229-2011, SEC.185:~~

IC 20-29-8-14

Repealed

(Repealed by P.L.48-2011, SEC.39.)

Chapter 9, as modified:

IC 20-29-9

Chapter 9. Strikes

IC 20-29-9-1

Unlawful participation in strike

Sec. 1. It is unlawful for:

(1) a school employee;

(2) a school employee organization; or

(3) an affiliate, including state or national affiliates, of a school employee organization;

to take part in or assist in a strike against a school employer or school corporation.

As added by P.L.1-2005, SEC.13.

IC 20-29-9-2

Actions taken for aiding or abetting in a strike

Sec. 2. A school corporation or school employer may in:

(1) an action at law;

(2) a suit in equity; or

(3) another proper proceeding;

take action against a school employee organization, an affiliate of a school employee organization, or any person aiding or abetting in a strike for redress of the unlawful act.

As added by P.L.1-2005, SEC.13.

IC 20-29-9-3

~~Loss of dues deduction privilege by exclusive representative for participating in strike~~

~~— Sec. 3. If an exclusive representative:~~

~~— (1) engages in; or~~

~~— (2) aids or abets in;~~

~~a strike, the exclusive representative shall lose the exclusive representative's dues deduction privilege for one (1) year.~~

~~*As added by P.L.1-2005, SEC.13.*~~

IC 20-29-9-4

Minimum length of school year

Sec. 4. A regulation, rule, or law concerning the minimum length of a school year may not:

(1) apply; or

(2) require makeup days;

if schools in a school corporation are closed as a result of a school employee strike.

As added by P.L.1-2005, SEC.13.

IC 20-29-9-5

School corporation not required to pay salary for days on strike

Sec. 5. A school corporation shall not pay a school employee for any day when the school employee fails, as a result of a strike, to report for work as required by the school year calendar.

As added by P.L.1-2005, SEC.13.

FACING OUR ELIZABETHAN GHOSTS

Coming Apart: The State of White America, 1960-2010

by CECIL BOHANON

Declining social order, rampant promiscuity, conventional morals in shambles, illegitimacy and venereal disease all too common: A description of much of contemporary America according to social scientist Charles Murray in his recent book *Coming Apart*. Mr. Murray makes a credible case that the problems of poverty and social dysfunction trace to illegitimacy and divorce. A later column will critically review Mr. Murray's thinking and evidence. Today's point: these evils are nothing new. They were prominent in Elizabethan England as evidenced in William Shakespeare's comedy "Measure for Measure."

I had the great pleasure of spending a weekend discussing this play and other works with a group of literature, political science and economic scholars at a conference supported by the Indianapolis-based Liberty Fund. Interesting things happen when academics from varying disciplines compare notes.

Shakespeare's black comedy is set in Vienna and is filled with ribald reference not fit for a family newspaper. Its ruler, the Duke, notes that although "we have strict statutes" on sexual morality they are "more mocked than feared." So the Duke does what any self-respecting politician does — leaves town and turns the dirty work over to an ambitious underling.

Angelo, the Duke's deputy, begins to actually enforce the laws. He arrests, convicts and schedules the beheading of a certain Claudio, who by his own admission impregnated his girlfriend Juliet. When Claudio's sister, the virtuous soon-to-be nun Isabella entreats Angelo for mercy, Angelo is love-struck. He proceeds to offer a pardon for Claudio in exchange for Isabella's virginity.

The play ends with the returning Duke ordering a large dose of marriage all around. Claudio and Juliet are allowed to marry, Angelo is compelled to marry the jilted Marianna, the sordid Lucio is forced to marry a prostitute aptly named Mistress Overdone, and the Duke takes the still-virgin Isabella to be his own wife.

All presumably ends well. Now no one in the USA is proposing forced marriage much less

the death penalty for premarital sex. Yet there is much to learn from Shakespeare's play, for a central theme is the trade-off between enforcing social penalties and offering mercy. If illegitimacy and divorce yield undesirable results then some kind of social penalty seems in place. To fail to ever impose any penalty makes "pardon the nurse of second woe."

In my parents' and grandparents' day the penalty for being an unwed mother or divorced was not so much legal as social. It was shameful and offenders were often shunned. Some 20 years after her death my father revealed in hushed tones the dark family secret that an aunt had . . . been divorced. Such social censure seems cruel and strange to us today. An unwed mother or a divorced friend needs our help not our condemnation — and this is an ethic we fully embrace.

Shakespeare also points out the problem of leaving morals to politicians: hypocrisy. "Shame on him whose cruel striking, kills for faults of his own liking." Can anyone take Newt Gingrich or Bill Clinton seriously when they proclaim the virtues of stable family life?

So if neither law nor public hectoring nor social sanctions can do much to restore stable family life where is our civilization heading? We quite rightfully don't have a Duke who can engineer marriages and we certainly don't want to place scarlet letters on unwed mothers. Perhaps we can note that despite its problems Elizabethan England did evolve politically, commercially and socially. The prevailing sexual mores of Shakespeare's times did change. What will happen in our time? It is an issue worth further examination.

Feckless Men and Our Future

Common sense and lots of statistical evidence suggest that stable two-parent households provide the best environment for child-rearing. Children continuously raised with both parents are less likely to be in poverty, to get in trouble with the law and are much more likely to excel educationally. Divorce and illegitimacy rates have risen in the United States since 1960. This is well known. What is not as well known is that for college graduates divorce and illegitimacy rates stabilized



Cecil Bohanon, Ph.D., an adjunct scholar, is a professor of economics at Ball State University.

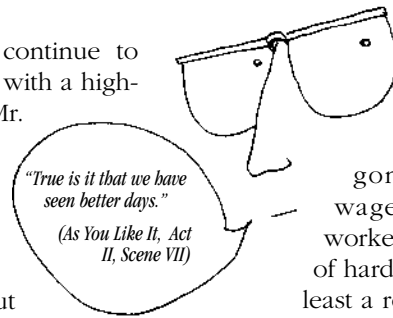
around 1990. Those rates continue to rise, however, among adults with a high-school diploma or less. Mr. Murray presents evidence of this and other cleavages between educational classes succinctly and convincingly in *Coming Apart*.

The data seem clear-cut enough; more controversial is the assertion the differences in marriage and fertility habits between the college-educated and non-college educated are the source of rising income inequality. Mr. Murray is a humble man who is perfectly aware of the caveat of all social-science research: Statistical correlation does not establish causation. Is it rising divorce and illegitimacy that generate increasingly poor economic outcomes among the non-college educated? Or is it poor economic outcomes that generate rising divorce and illegitimacy? Clearly, additional analysis is necessary to tease out cause and effect, and it is likely the best efforts are going to be less than definitive.

A statistic that may at first seem unrelated is striking. The percentage of white males with a high-school education or less, between the ages of 30 and 49 and neither working nor actively looking for work (labor-force dropouts, in economic lingo), stood at four percent in 1970. By 2010 it had tripled to 12 percent. Until the mid-1980s the figure rose as the unemployment rate rose and fell as the unemployment rate fell. This seems consistent with the labor-force dropouts being generated by a poor labor market. Since the mid-1980s, however, the labor-force dropout rate rose during times of falling unemployment. This suggests that something else is driving this exit from the workforce.

A related statistic is what men without jobs did with their time. In 1985 they spent 27.7 hours a week watching TV but in 2005 they spent 36.7 hours.

Mr. Murray paints a picture of an increase in the percentage of white high-school educated men who are feckless. Such men are quite capable of siring children but unable or unwilling to support them, much less form stable marriages. What explains this decline in work ethic?



Economic theory suggests that the relative benefits of hard work must have gone down. Stagnant wages among unskilled workers make the benefits of hard work decline — in at least a relative sense. Also, an increased ability to live on the dole makes the relative rewards of work decline (there has been an eight-fold increase in the percentage of the population on disability).

But Mr. Murray's point is that social approval is likely a stronger motive for behavior than relative material gain. This may seem uneconomic but it isn't. Adam Smith argued that "the chief part of human happiness arises from the consciousness of being beloved." If there are no social sanctions or consequences against not working, more males will refrain from working. If no one condemns you for being unemployed it is much easier to remain unemployed. Again, teasing out empirically how much decline in labor-force participation among the less educated is due to stagnant wages, increased transfers and changing social mores is devilishly difficult, and Mr. Murray fails to give a slam dunk.

But what if he is mostly right or even partially right and neither hemming in the dole nor increasing employment opportunities will do much?

Stay tuned.

A Direct Way to Fight Poverty

If Mr. Murray is right, America's poverty problem will not be solved by either economic growth or increased government spending on social programs.

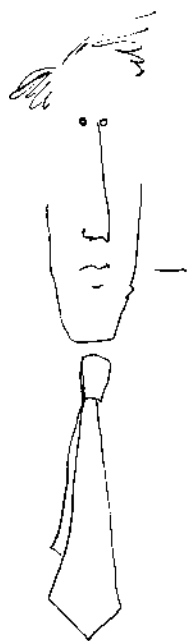
Mr. Murray contends the moral habits that generate stable two-parent households and a strong work ethic are rapidly eroding among those with a high-school education or less. Illegitimacy, divorce and low labor-market participation rates, anathema to all social classes two generations ago, are causes of household poverty and are all too common among the high-school and less-educated class.

In contrast, stable two-parent households and a lively work ethic are alive and well in neighborhoods populated

Since the mid-1980s, the labor-force dropout rate rose during times of falling unemployment. This suggests that something else is driving this exit from the workforce.

BOOK REVIEWS

Although it is good to give money and occasional help to the soup kitchen, it is even better to be a regular server who knows the patrons by name.



"In reality there is perhaps no one of our natural Passions so hard to subdue as Pride."

(Ben Franklin)

by college graduates. Graduating from high school, getting married and staying married and finding a job and keeping a job are the best insurance against household poverty. Young people who do these three things are rarely in poverty, and such behavior is well within the reach of all Americans.

To do this, however, one must have a sturdy value system that esteems hard work, prudence and self-control as moral habits. These moral habits do not emerge from nature; they are taught and learned in family, community and society.

Legislation and policy directives by governments are unlikely to be effective in generating such moral habits, despite the fantasies of social engineers on both the left and right. It would be nice if Hollywood offered better role models — but let's not hold our breath. Nor are public schools going to be a reliable ally to this end as the endless quarreling between traditionalists and progressives means value inculcation is not likely to take front and center in the K-12 curriculum.

Progressives and traditionalists may disagree over food-stamp policy. Yet there is one activity that all people of goodwill support: intentional one-on-one

relationships between the more affluent and the less affluent. Such relationships are not a "policy." Private efforts in this direction are likely to do little harm and have the potential to do much good.

Mr. Murray's title "Coming Apart" suggests this as it alludes to a national class-based divergence in values. The data he provides also supports this: Although the United States is less racially segregated than it was in 1960, it is more segregated by income class.

Yet as we look in our Indiana communities we find abundant opportunities for such interaction.

In my hometown and at my home church, a couple of programs are in place with this in mind. They do not pretend they will "solve poverty." They are not about pious people lecturing the poor. Nor are they about guilt-tripping the more fortunate. The idea is relationship.

Although it is good to give money and occasional help to the soup kitchen, it is even better to be a regular server who knows the patrons by name. It is a good thing to provide school supplies for low-income children, but even better to be an individual child's tutor.

It is a good thing to provide a homeless family a place to stay; it is even better to incorporate the family into a wider religious community.

The only thing that can make a difference is the recognition among Americans of all classes that a problem of cultural inequality exists and that something has to be done about it. That 'something' has nothing to do with new government programs or regulations. Public policy has certainly affected the culture, unfortunately, but unintended consequences have been as grimly inevitable for conservative social engineering as for liberal social engineering. The 'something' that I have in mind has to be defined in terms of individual American families acting in their own interests and the interests of their children. Doing that in Fishtown requires support from outside. There remains a core of civic virtue and involvement in working-class America that could make headway against its problems if the people who are trying to do the right things get the reinforcement they need — not in the form of government assistance, but in validation of the values and standards they continue to uphold. The best thing that the new upper class can do to provide that reinforcement is to drop its condescending 'nonjudgmentalism.' Married, educated people who work hard and conscientiously to raise their children shouldn't hesitate to voice their disapproval of those who defy these norms. When it comes to marriage and the work ethic, the new upper class must start preaching what it practices. — *Charles Murray in Coming Apart: The State of White America, 1960–2010, Crown Forum, 2012.*

Richard Wrangham. Catching Fire: How Cooking Made Us Human. New York: Basic Books, 2008.

by ROSE MARIE MAYNARD

Out of the species on the planet, humans have the most-sophisticated brains and the question of why has always been a great puzzle for those brains to work. In his book *Catching Fire: How Cooking Made Us Human*, Richard Wrangham makes the argument that ancient man adapted to using fire for cooking food, and that cooked food facilitated the growth of our large brains.

The author is a British primatologist with a background in researching chimpanzees, currently teaching at Harvard University. Mr. Wrangham introduces his book by describing his “Cooking Hypothesis” and in the eight chapters that follow, he utilizes the findings of scientific experiments and anthropometric observations to explain how *Homo erectus* adapted to fire and the significance of cooking in human evolution.

The first three chapters of Mr. Wrangham’s book discuss the structure of the human body and how it is adapted to cooked food. Mr. Wrangham describes the attempts there have been to have a completely raw diet, as well as the physical effects that have resulted. Most of these experiments have resulted in significant

weight loss, but the most striking effect is the reduced and even halted fertility that occurs in both sexes, making the raw diet in humans unlikely for evolutionary success. Even those who are devoted to eating only “natural” raw food, last a matter of weeks before breaking down and consuming cooked food. Mr. Wrangham surmises from these examples that there is an ultimate evolutionary reason for every person, even those who exclude meat from their diets, to seek cooked food. He explains that the human body is particularly suited to eating cooked foods. The internal differences between humans and primates all revolve around the kind of food that each species ingests. Humans have smaller mouths, jaws and digestive systems when compared with chimpanzees and apes.

Human teeth and jaws, which can chew cooked (soft) food easily, are weak compared with the powerful teeth and jaws of chimpanzees accustomed to mashing raw fauna for hours at a time. The digestive system shows adaptation to softer food in its size as well. Human stomachs and intestines are much smaller and process food considerably faster than primates.

The difference in the digestion times, Mr. Wrangham postulates, means that the way we calculate the energy obtained from food is inaccurate. Traditionally, the measure of caloric intake is relatively

“The most striking effect (of a completely raw diet) is the reduced and even halted fertility that occurs in both sexes, making the raw diet in humans unlikely for evolutionary success.”

— Maynard

The reviewer, Rose Marie Maynard, is a senior economics major at Ball State University. She is a “non-traditional” student who dropped out of high school to obtain full-time employment because of her family’s straitened financial circumstances. Her father was a Vietnam veteran and an engineer in nuclear instrumentation and electro-mechanics. Due to war-time exposures he became unemployable some years before his death. With her father’s complete disability Ms. Maynard chose to work alongside her mother at a retail store to help support her family and ensure that her three younger brothers were not deprived of opportunities to achieve successful lives. She succeeded in that ambition: One brother is graduating from college, another is successfully employed, and the youngest is seeking admission to West Point. While fully employed and sharing in the household tasks, Ms. Maynard also completed her General Educational Development exam (GED) with honors, and then went on to take online courses from Ball State University. She became a full-time on-campus student and is working to obtain a bachelor’s degree. Her interests are in the areas of economics and law, American history, financial analysis and intellectual property. Finally, she is a lucid writer who has completed a number of written assignments on widely dispersed topics. — *Philip R.P. Coelho, Ph.D., adjunct scholar*



BOOK REVIEWS

"Mr. Wrangham describes this relationship, 'Although the breakthrough of using fire at all would have been the biggest culinary leap, the subsequent discovery of better ways to prepare foods would have led to continual increases in digestive efficiency, leaving more energy for brain growth.'"

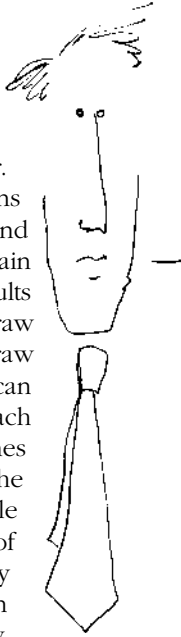
—Maynard

constant in any given food from raw to cooked, minus any drippings lost during the cooking process. Mr. Wrangham uses observations gathered from animal and human experiments to explain why eating cooked food results in more energy than eating raw foods. The breakdown of raw foods, especially meats, can take hours in the stomach alone before the intestines can even begin to break the food down to absorbable nutrients. The amount of chewing time and energy expended before that can occur also factors into how much energy is ultimately obtained. With cooked foods, far less time is spent chewing and digesting thus making the net energy gain much higher.

Mr. Wrangham's analysis of digestion relies primarily on examining the efficiency of obtaining energy. Though he explains the chemistry behind digestion and the possible effect cooking can have on the nutrients in food, his focus lies in the implications of having quick calories that are less costly to get. A reduction in all internal processing costs, like chewing and the final breakdown, allows for retention of that energy, which was especially precious.

Any unintended costs that can arise from cooking are overshadowed by the net gain in energy. The efficiency of eating softer, cooked food is further shown by its prevalence in the human species. As Mr. Wrangham puts it, "In subsistence cultures, better-fed mothers have more and healthier children. In addition to more offspring, they have greater competitive ability, better survival and longer lives," (pp. 81). Having the energy reserves that result from eating cooked food is therefore conducive to evolutionary success.

The fourth and fifth chapters pertain to how the human species evolved in respect to having fire with which to cook. Mr. Wrangham lists the various proofs that show fire was utilized by *Homo sapiens* and *Homo heidelbergensis* nearly as far back as 800,000 years, but then proposes that fire goes much farther back, and was



instrumental in the development of *Homo erectus* around 1.8 million years ago (pp. 87). As evidence, he cites

"In our private pursuits it is a great advantage that every bonest employment is deemed honorable. I am myself a nail-maker."
(Jefferson)

the skeletons we have and the probable brain sizes that make *Homo erectus* so different from the ape-like habilines that came before. *Homo erectus* brains, while smaller than

Homo sapiens brains, were much larger than habilines. The same principal is shown in *Homo erectus*' teeth and probable digestive systems. *Homo erectus*, according to Mr. Wrangham, was more adapted to softer chewing and had less muscle in the head as result, allowing for a larger brain to grow and more energy with which to power it.

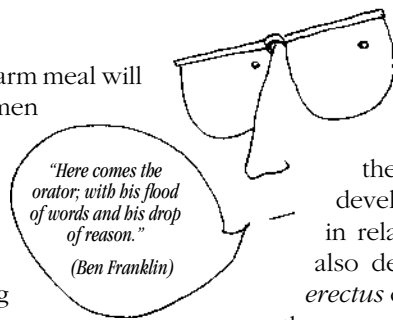
Following Mr. Wrangham's line of thought, the brain was allowed to expand in the extra headroom found in *Homo erectus* and could use the excess energy that came from eating cooked instead of raw food more efficiently. Brain capacity and thereby energy devoted to it has increased from *Homo erectus* to the current *Homo sapiens* form. As cooking methods improved, so did the energy that could be devoted to brain processes.

Mr. Wrangham describes this relationship, "Although the breakthrough of using fire at all would have been the biggest culinary leap, the subsequent discovery of better ways to prepare foods would have led to continual increases in digestive efficiency, leaving more energy for brain growth," (pp.127). This idea supports Mr. Wrangham's position that cooking with fire is not just a tool used by man, but is in fact a development to which the human race has adapted.

The remaining three chapters of Mr. Wrangham's book deal primarily with the sociological implications of having fire for cooking. He describes the sexual division of labor and the value of having a mate that results from adapting to cooking. The efficiency that was obtained by eating cooked foods allowed for a uniquely human relationship: specialization in food-obtaining labor by sex. While women collect and cook roots, berries and the like, men are freed to hunt for prey that is dangerous or takes time to pursue with

the confidence that a warm meal will be prepared by the women upon the men's return, whether they succeed in their hunt or not. The value of the cooked meal is directly related to the woman providing the cooking and the man helping provide the sustenance. Mr. Wrangham suggests an explanation for marriage around this valuation of partner contribution. This idea implies a form of economic dependence and labor exchange as the foundation of human interaction.

Throughout his book, Mr. Wrangham illustrates his points by compiling the findings of many fields ranging from physiology to anthropometrics, as well as including his own experiences. The main thesis of his book — humans adapted to cooking with fire — is convincingly argued. Each point is explored with thorough, contrasting evidence, and while his conclusions are brief, the reasoning that links them to his main argument is clearly defined and cited throughout his work. The only lack is in the physical evidence of *Homo erectus* being able to use fire, and that may never be possible to find, he admits. The weakest area of his book, it appears, lies within the last chapters and the epilogue. Here the most extrapolation from his "Hypothesis of



Cooking," takes place. Mr. Wrangham accounts for the lack of body hair, the layer of baby fat and the development of facial recognition in relation to the use of fire. He also describes the abilities *Homo erectus* could have had by sleeping on the ground with a fire tended all night to protect and warm him. These ideas are certainly plausible, and even likely, but in comparison to Mr. Wrangham's dedicated use of studies and examples for his main points, these periphery possibilities are more like thought-branching conjectures and ultimately detract from the solidarity of his position.

Although *Catching Fire: How Cooking Made Us Human* is primarily anthropometric in nature, with its arguments revolving around various biological and sociological changes man has experienced, there are many economic points that can be gleaned as well. By describing fire as the basic evolutionary driving force and human behavioral adaptations to that driving force, Mr. Wrangham provides the reader with not only a history of human evolution, but also the foundation of economics in the mechanisms of evolution and in the development of human behavior. For these reasons, *Catching Fire* stands out as a book whose underlying theory supports a wide range of other sciences and makes

"By describing fire as the basic evolutionary driving force and human behavioral adaptations to that driving force, Mr. Wrangham provides the reader with not only a history of human evolution, but also the foundation of economics in the mechanisms of evolution and in the development of human behavior."

— Maynard

I want to emphasize the importance of individual initiative in reducing poverty and promoting economic success. Young people can virtually assure that they and their families will avoid poverty if they follow three elementary rules for success — complete at least a high-school education, work full time, and wait until age 21 and get married before having a baby. Based on an analysis of Census data, people who followed all three of these rules had only a two-percent chance of being in poverty and a 72-percent chance of joining the middle class (defined as above \$55,000 in 2010). These numbers were almost precisely reversed for people who violated all three rules, elevating their chances of being poor to 77 percent and reducing their chance of making the middle class to four percent. Individual effort and good decisions about the big events in life are more important than government programs. Call it blaming the victim if you like, but decisions made by individuals are paramount in the fight to reduce poverty and increase opportunity in America. The nation's struggle to expand opportunity will continue to be an uphill battle if young people do not learn to make better decisions about their futures." — Ron Haskins, Brookings Institution Senior Fellow, testifying June 5, 2012, before the Senate Finance Committee as quoted by the June 10th Wall Street Journal.

"Be the kind of man that when your feet hit the floor in the morning the Devil says, 'Oh crap, he's up.'"

— Dave Bego

Dave Bego. *The Devil at Our Doorstep*. CreateSpace, North Charleston, S.C., 2012.

by CRAIG LADWIG

The difficult thing about fighting for free markets is that our successes are invisible or are projected beyond the political horizon — and, maddeningly, so are the failed promises of our statist opponents.

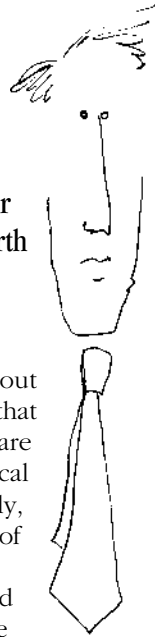
That, however, is lessened with publication of Dave Bego's *The Devil at Our Doorstep*. The failures of American unionism are found there in weapons-grade detail.

More importantly, Mr. Bego is walking testimony to the success of free markets, demonstrating that the conviction of a self-described average businessman is enough to defend the American work ethic.

For Dave Bego is no victim. A Hoosier, he operates a family janitorial service that has withstood a full-scale assault since 2008 by one of the nation's most-powerful labor organizations, the Service Employees International Union (SEIU).

Mr. Bego's struggle against the union tracks today's headlines on such issues as national right-to-work legislation, the recess appointments to the National Labor Relations Board and the union campaign for card-check regulation. He names names, exposing the political collusion between Big Labor, the administration and the liberal Left.

The Devil at our Doorstep makes a withering case against the mass media for its acquiescence in what Mr. Bego convincingly argues is the destruction of the American work ethic. He raises the damning question whether support for the union position by established newspapers and networks isn't motivated by fear of attacks against their advertisers as well as a lazy philosophical drift in newsrooms. Most of all, in this his second book on the



topic, Mr. Bego wants the rest of us to get involved in what he rightly sees as an era of agonizing decisions regarding not only our freedom to work where we choose and with whom we associate but our liberty. And, characteristically, he has drawn up a solid

10-point, common-sense plan, one that challenges what until now has been only a self-congratulatory Republican leadership.

In that he joins the sociologist Charles Murray in sounding the alarm on American industriousness. Mr. Murray notes that the percentage of prime-age white males with no more than a high-school education saying they are "not available" for work increased from a low of three percent in 1968 to 12 percent in 2008. We are talking about 12 percent of the men at a time in their lives when an able-bodied American man once worked or was looking for work.

Mr. Bego makes clear that the restrictive policies pushed by the national labor unions are the reason for such dismal statistics. And he echoes Mr. Murray in warning that hardworking, good-living Americans had better start preaching what they practice:

"If we sit on the sidelines," Mr. Bego writes in conclusion, "if we never take a stand, if we aren't true to

ourselves and to our beliefs, then change will not occur, Big Labor elitism will be victorious, and our way of life in America will disappear forever. Jobs will continue to be lost, our economy and standard of living will continue to deteriorate and we will become a socialistic country."

Most of all, Mr. Bego shows us how it is done, and with an energy and determination daunting even to the bullies at the SEIU. And he shares his secret:

"Be the kind of man that when your feet hit the floor in the morning the Devil says, 'Oh crap, he's up.'"

Although the reader might wish there were a more genteel way to put it, he will

"In selecting men for office, let principle be your guide. Regard not the particular sect or denomination."
(Noah Webster)

"Everything that is really great and inspiring is created by the individual who can labor in freedom."

— the theoretical physicist
Albert Einstein (1879-1955)

not put down this book without knowing that each of us needs to hit the floor more like Dave Bego.

Jonah Goldberg. *The Tyranny of Clichés: How Liberals Cheat in the War of Ideas*. Sentinel, New York, NY, 2012.

by **NICK BARBKNECHT**

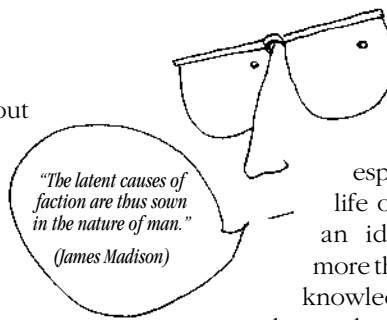
The ideological debate between liberalism and conservatism, at its crux, is sometimes merely an issue of language and of framing where the correct policy lies, not of how a conservative policy might address something in a different way than a liberal policy.

In *The Tyranny of Clichés: How Liberals Cheat in the War of Ideas*, Jonah Goldberg discusses the fundamental mistakes — and intentionally false clichés — that the American Left uses in policy debates from the halls of Congress to direct-mail campaigns across America.

Mr. Goldberg, *The National Review Online* editor, begins by outlining how liberals (and many conservatives as well, I would argue) begin their arguments with false premises and end them with hypocritical logic.

His opening chapter on ideology addresses the prevalent debate over so-called “hyper-partisanship.” The chapter “No Labels” discusses at length the work of the organization of the same name now headed by Evan Bayh, the Fox News contributor and former Indiana senator.

Many try to argue that ideology and open-mindedness are at odds with one another — a definitional impossibility. Mr. Goldberg explores the etymology of *ideology*, ending up at Webster, “a



systematic body of concepts especially about human life or culture.” In sum, an ideology is nothing more than the fundamental knowledge of what a person understands about the world and that person uses to apply to new ideas.

We study history for a reason, Mr. Goldberg reminds us; we learn about economic concepts for a reason. We edify ourselves on a whole host of concepts because application of previous knowledge to new ideas works. To argue that the ideology of those aligned with “No Labels” is somehow not ideological is asinine. And the worst part? For many liberals that position is not an argument but merely window dressing for statist policies.

A person who says that he has somehow found a magic way of analyzing and discussing issues that is both non-confrontational, combining fundamental concepts otherwise at odds with one another should lay off the bath salts and cut back on the zombie movies.

Certainly, bipartisanship, cooperation, compromise and open-mindedness are definitely great things. Governing without an ideology, however, is traveling without direction. If the terrain is familiar, a person might get lucky and wander in the right direction.

When the territory is unknown, though, as it often is in the world of public policy, you might not get to your destination at all.

Mr. Goldberg, from ideology to political correctness and several talking points in between, provides the conservative apologetic an intriguing lecture on current political discourse.

“To argue that the ideology of those aligned with No Labels is somehow not ideological is asinine. And the worst part? For many liberals that position is not an argument but merely window dressing for statist policies.”

— Barbknecht

The reviewer, Nick Barbknecht, is a frugal accounting senior at Manchester College. Barbknecht grew up in Michigan City where he is a charter member of Michigan City Christian Church. The State Chairman Emeritus of the Indiana Federation of College Republicans, a grassroots organization comprised of 22 Indiana Chapters, he is the youngest graduate of the Indiana Leadership Forum. Barbknecht has been a writer for *Hoosier Access* for over two years, is the youngest delegate for Indiana to the 2012 Republican National Convention and is a Ronald Reagan College Leaders Scholar. — tcl



THE SUMMER DEBATE

*Resolved: Economics Should Not
Be Required in College*

*“An Indiana farmer who
aced economics in college
and understands full well
that ethanol subsidies are
horribly inefficient will still
support a subsidy that puts
money in his pocket.”*

— Flowers

The Affirmative

MARILYN FLOWERS

Periodically, a friend or colleague (usually a non-economist) will opine that voters would make better decisions if they understood basic economic principles and that, accordingly, it would be a good idea to require courses in economics for all college students. I am an economist and I don't agree with either of these propositions.

First, why would we believe that an understanding of economics would lead to better policy choices? In our economic models, we assume that individuals make choices consistent with their own interests. This doesn't mean that altruism doesn't play a role sometimes. Many people contribute time and money to what they perceive to be good causes.

But no evidence suggests that altruism is the dominant motive for human behavior. As I often remind my students, the reason Mother Teresa is well known years after her death is that the life she chose to lead was so unusual. Like it or not, self-interest usually trumps any perception of “public interest.” An Indiana farmer who aced economics in college and understands full well that ethanol subsidies are horribly inefficient will still support a subsidy that puts money in his pocket.

Sadly, a lot of what government does is take money from some and give it to others. The recipients are usually happy



and, even if the givers realize what is happening and protest, the fact that it still happens — a lot — means that the protests don't succeed. Often the protesters are, themselves, bought off with a program of their own.

This is all wasteful. I once heard a government subsidy described as a transfusion from the right arm to the left arm through a leaky tube. The left arm is, nonetheless, happy with the trickle that gets through, despite a lapful of spilled blood.

It is hard to see how an economics course would lead individuals to abandon self-interest. If it did, the implication would be that economics, as a discipline, is fundamentally misguided.

In addition, given the motivations of higher-education administrators, a requirement that all students take an economics course is pretty much a guarantee that no students will get a good economics course.

Think about it. A graduate would have to pass a course in economics. Many of today's students would find that hard to do given the level of rigor currently present in most economics courses.

There are two possible responses. One is to let the economics course weed out 20 percent or more of matriculates.

The other is to lower the level of rigor so that more students can pass. Given that tuition and fees account for

ever-increasing proportions of college revenues, the pressure to keep students in college and collect their money as long as possible is irresistible. The resulting pressure on economics faculty to “dumb down” their courses will also be irresistible. Most students don’t want tough courses, and we in higher education tend to give them what they want.

We already have too many “easy” courses in the curriculum. A requirement that all students pass an economics course will only add to the problem.

On second thought, the requirement, while socially unproductive, would increase the demand for my services. Perhaps it is not such a bad idea after all.

The Negative

CECIL BOHANON

Many years ago a student of mine invited a representative of the United Auto Workers (UAW) to speak before our university’s Economics Club. Not surprisingly, the speaker called for additional restrictions on foreign car imports and claimed that such a policy would generate benefits for all Americans. If more workers had good-paying UAW jobs, he argued, those workers would spend more, generating more employment for other Americans, increasing tax revenue for the government and increasing appropriations to state universities.

My students and I took exception to his claims. They made the point that the benefits to which he alluded were offset by costs to domestic consumers — and then some. I am not sure if he understood our objection. I am quite sure, however, that his position on the “evils of imports” would not have changed even if he had.

My colleague and friend Marilyn Flowers is correct when she argues that economic knowledge is unlikely to trump economic interests when voters form their policy positions. But it seems to me that dissuading people from pursuing their own economic interests by political means is hardly the point of economic education.

Our UAW friend did have an economic narrative — a naïve economic theory — that had an air of plausibility. One can

certainly understand how in the absence of an alternative a bright young person could accept this union member’s mercantilist perspective as gospel truth. If the student came from a family in the auto industry or from an auto town, such a narrative would be especially appealing.

But the hallmark of a liberally educated person is the capacity to recognize truth that extends beyond one’s own purview. As French economic writer Frédéric Bastiat once described the difference between a bad economist and a good one: “The bad economist confines himself to the visible effect; the good economist takes into account both the effect that can be seen and those effects that must be foreseen.”

Economists in an academic setting have the unique ability and obligation to offer good economic analysis. Heaven knows there are many non-economists quite willing to offer bad economic analysis. Indeed, most issues discussed on college campuses cry out for economic insights. Providing these insights is part of our job, even if we are not likely to persuade one of the wisdom of our thinking. All we can do is offer educational opportunities — we cannot assure they will be appreciated. But we know they will not be appreciated if they are not aired. Is the best way of spreading economic insight a university curricular requirement that all students must pass a college-level economics class?

I tend to agree with Marilyn that, given the current realities of higher education, such a mandate is unwise. Economic lessons do not come easily to most; mastering economic concepts requires discipline and effort far beyond that usually exerted in other principles-level courses. To mix some metaphors, economists may be called to cast our bread on the waters but we should not be casting our pearls to the swine. Well, maybe not swine — but at least not to the unprepared.

Nevertheless, I do not see economists primarily as technicians for policy wonks, but rather as critics and educators ever-mindful of Fredric Hayek’s words that “the curious task of economics is to demonstrate to men how little they really know about what they imagine they can design.”

“Most issues discussed on college campuses cry out for economic insights. Providing these insights is part of our job, even if we are not likely to persuade one of the wisdom of our thinking.”

— Bohanon

A GOVERNMENT REFORM KIT

A veteran councilwoman details the statutory tools available to city councils sincerely interested in checking and balancing the power of a mayor's office.

*A tale of two cities in disaster:
Joplin, Missouri, got it right;
Tuscaloosa, Alabama, didn't.*

* "Lots of choc'lates for me to eat,
* Lots of coal makin' lots of 'eat.
* Warm face, warm 'ands, warm feet,
* Wouldn't it be lovely?"

— Eliza Doolittle in "My Fair Lady"

by LIZ BROWN

* **W**e often discuss the
* national political system
* in terms of checks and
* balances. These same
* principles guide our local governmental
* units, and with good reason. The idea is
* that the three branches work together,
* as crucial cogs in a municipal machine,
* all performing separate but codependent
* functions. Or, to invoke the dreams of
* Eliza Doolittle, wouldn't it be lovely if it
* really worked that way.

* Indiana has a robust and exact system
* to guide our legislative and executive
* branches but the execution of their powers,
* or the lack thereof, allows one to overstep
* another.

* This can result in upside-down
* government. And in these serious
* economic times, we need our mayors and
* councils to be on the same page, to work
* together, to coordinate, so that we are not
* wasting precious resources.

What we conservatives in particular want is the opportunity to succeed in a free-market capitalist society, to work side by side with our elected officials, the people we put in office, and advise them as to how best to create a fertile business environment. We want our local officials to be ever aware that they are spending our money, and that we would like it spent in an open, transparent fashion with an eye to creating individual opportunity rather than blocking it.

The Wall Street Journal recently compared the reaction of two local governments to similar tragedies, one in Joplin, Missouri, and the other in Tuscaloosa, Alabama. Both cities were devastated by major tornadoes last year. Joplin got it right; Tuscaloosa didn't.

Joplin's public officials immediately realized that they were there to serve the community, which had granted them power and authority to act in a disaster. They made property rights a priority in a straightforward rebuilding plan. They wisely decided not to wait for federal subsidies. As a result, eight of the 10 affected businesses reopened within the year. The council and mayor had worked "formally and informally" with



Elizabeth M. Brown, J.D., is an adjunct scholar of the Indiana Policy Review Foundation, a graduate of Notre Dame and an active member of the Republican National Lawyers Association. She served four years on the Fort Wayne City Council in an at-large seat and was a candidate for mayor in the GOP primary.

these businesses to get them back on their feet.

Conversely, the Tuscaloosa mayor seemed to treat his city's tragedy as "an extraordinary opportunity" to showcase his government. He hired outside consultants to create a 128-page urban-planning document. They expanded zoning restrictions, increased red tape and consequently inflated rebuilding costs for affected businesses. Tuscaloosa officials acknowledge that their plan, still awaiting final council approval, could only work with outside, federal subsidies.

My experience on a city council is that the Joplin officials got it right because they worked from the ground up, not the top down. I think that local government provides a great primer on how all government should work, and how we voters need to support our elected officials to give them the courage to follow the Joplin example.

That said, we have work to do. Scott Rasmussen in his new book *The People's Money* discusses how the political class views mainstream voters — unfavorably, to be quite frank. Rasmussen notes that while 49 percent of voters believe that government programs actually increase the levels of poverty, the political class (government officials, pundits and what-have-yous inside the Washington, D.C., Beltway) disagree. And that is true even though there has been no change in poverty levels in 45 years (Rasmussen, p. 153).

Also unsurprising is that voters do not like corporate welfare, while politicians and big businesses do. Or as the CEO of General Electric, Jeffrey Immelt, likes to think of it, corporate welfare is a way government can help "invest in our shared future" (Rasmussen, p. 175). The list of those spared in the big bailout of 2008 reads like a Who's Who of political insiders, with companies like Citigroup receiving \$45 billion in bailout and another \$300 billion in government guarantees, with no management changes required as was the case with General Motors and the American International Group (Rasmussen, p. 177).

Many of us commoners still believe that we could use more bailout information, *i.e.*, what was spent, and where, and by whom. Brother, if you are going to spend

every one of my last dimes, could you at least tell me how?

Unfortunately, the political insiders believe that we in the mainstream are ignorant and deliberately uninformed. Rasmussen points repeatedly to instances showing that many in the political class, on both the Republican and Democratic sides, believe that the average voter is stupid, uninterested and apathetic. To the contrary, I believe that Rasmussen's research demonstrates we are patient but paying attention. Eventually we will rise up and throw the bums out, ever optimistic that if we start over we will get it right.

But such a political "adjustment," if you will, will require good information. What do we need to know?

For starters, what are the statutorily defined roles of our local executive officer, typically the mayor, or the municipality's legislative body, the city council? Once these are defined we can decide what we want our elected officials to do — or not do.

The Indiana Code tells us what this symbiotic relationship should look like, and how it should work. The mayor's traditional functions are to enforce ordinances, supervise subordinates and pass legislation. Most of us know that. How many of us, though, know this: The municipal executive is required to "provide any information regarding city affairs that the legislative body requests"; to "recommend, in writing, to the legislative body actions that the executive considers proper"; and even to "ensure efficient government of the city" (IC 36-4-5-3).

The authors understood that every executive would need a reminder that he is to be more than a ceremonial ribbon-cutter or gadabout. The state code specifies that the executive must not only meet monthly with department heads for consultation and rule-making but should also "prescribe a merit system for selecting, appointing or promoting officers and employees" (IC 36-4-5-6) and keep a record of it all.

It is difficult to square this merit-system requirement with state law permitting its opposite, *e.g.*, mandatory representation by a private union. In my city, Fort Wayne, the previous mayor wasted little time enacting an option to allow all employees to be unionized.

The municipal executive is required to "provide any information regarding city affairs that the legislative body requests"; to "recommend, in writing, to the legislative body actions that the executive considers proper"; and even to "ensure efficient government of the city" (IC 36-4-5-3).

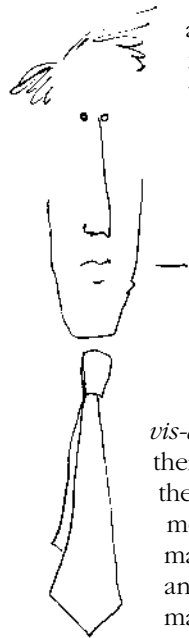
Don't let your council members profess ignorance of the facts of any issue or controversy. The law leaves them nowhere to hide; they are empowered to ask for as much information as needed to make well-informed decisions.

The current administration, even though talking about the merit system for years, has yet to put words to action.

Dare it be suggested that a mayor be removed for ignoring such duties?

With regard to a city council's responsibilities and powers, the Indiana State Code is more succinct. Pursuant to IC 36-4-6-18, it may "pass ordinances, orders, resolutions and motions for the government of the city, the control of the city's property and finances, and the appropriation of money." Other than sections giving specific details about issuing bonds and incurring debt, there's not much more there.

There's one more thing, though, a once-important but now atrophic function of municipal government: the power to override a mayoral veto with a two-thirds majority.



*"The facts fairly and honestly presented; truth will take care of itself."
(William Allen White)*

As citizens of a municipal government, we need to remind our council members that this power exists

vis-à-vis the mayor and that we expect them to use it. In sum, the law supports the citizenry's expectation that council members be full partners with the mayor in the running of our towns and cities. That is not the case in many Indiana cities where the mayor operates as if he were a king and the council his court.

So what do do? First, don't let your council members profess ignorance of the facts of any issue or controversy. The law leaves them nowhere to hide; they are empowered to ask for as much information as needed to make well-informed decisions.

The Indiana Code even anticipates that a mayor might try to withhold needed information from them. In IC 36-4-6-21, full investigative powers are given to the local council, and these powers are meant for day-to-day application rather than reserved for extraordinary malfeasance.

In fact, they should be thought of as constructive rather than punitive, a way for council members to duly carry out

their regular duties as stewards of the taxpayers' monies.

Moreover, the legislative body or council may investigate anyone associated with the city, even the affairs of those "with whom the city has entered or is about to enter into a contract" (IC 36-4-6-21). They may even compel access to all records and even the attendance of witnesses.

When was the last time your council did anything like that?

Clearly, we don't want our councils to abuse these powers. It is just as clear, though, that this valuable right will be lost unless it is used. Then, we would have to accept that cynical characterization that we are unenlightened and content to be so; we indeed would be responsible for both lackadaisical politicians and perpetuation of the fiscal mess in which our municipal governments are now mired.

As for those truly responsible, our elected representatives, they deserve forgiveness only when bad decisions are based on bad information, not when they haven't bothered to ask for that information in the first place. This is not hypothetical; throughout our history, the executive, for political convenience, has tried to mislead the legislative. Consider FDR's promise to Congress of a self-funding Social Security system or LBJ's promise of a debt-free Medicare system.

To counter such misinformation, we voters, acting through our councils, need to use the statutes to good advantage, to make the system of checks and balances actually check and balance, to expect our elected representatives to dig up the information necessary to justify their votes and actions — to each other, and to us.

Again, none of this was designed to be adversarial *per se*. Rather, it was meant to allow each of us to serve as one of democracy's auditors, to double-check the official math. When such a power is exercised on a regular basis, it becomes *pro forma*, part of the normal course of duties, not a means of confronting or embarrassing a political enemy.

"Speak softly but carry a big stick," advised Theodore Roosevelt. He didn't say you had to use the stick, but if you don't have one at all . . . well, we citizens lose the option of speaking softly.

GRADE INFLATION A YEAR LATER

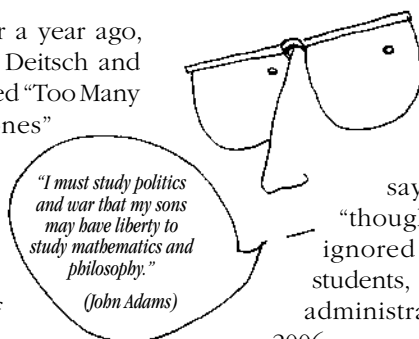
Administrators at Ball State have shown indifference in the face of evidence of slipping academic standards.

by T. NORMAN VAN COTT

A little over a year ago, Clarence Deitsch and I published "Too Many Rhinestones" on the Pope Center's site. The article pointed out the grade inflation that had occurred at Ball State University (BSU) in 24 out of 26 entry-level courses between fall semesters 1990 and 2009. For example, in 1990, 52 percent of the students enrolled in Principles of Marketing received grades of *A* or *B*; by 2009, 80 percent received *A*'s or *B*'s.

The ensuing year produced an interesting string of events. If anyone had told me they were going to occur, I would have responded "dream on, friend."

Shortly after the article's appearance, Indiana state senator Jim Banks brought it to the attention of BSU's president, Jo Ann Gora. In a May 25 letter, Mr. Banks, a member of the Senate Education and Career Development committee, said he "was troubled by (Dr. Deitsch's and my) assertion that grades are being inflated at Ball State University. . . . will your office be developing a plan to



combat this issue on your campus?"

President Gora responded with a letter dismissing our evidence, saying that while it was "thought-provoking," we had ignored the improvements in students, faculty and instructional-administrative procedures since 2006.

In the midst of the exchange between Senator Banks and President Gora, the Indiana Policy Review Foundation, a think-tank that favors free markets and limited government, circulated a longer version of our article that included separate comments by BSU's provost, Terry King.

Provost King echoed Ms. Gora's theme that every day, and in every way, the university is getting better and better. The local newspaper, *the Muncie Star Press*, ran the story as a feature article (June 6) and opined with an unsigned editorial the next day. BSU's student newspaper also carried the story as a feature article on June 13.

Other Indiana newspapers printed the article as an op-ed, but the grade inflation issue then fell into the summer hibernation

The president of Ball State has dismissed evidence of grade inflation, saying that while evidence presented in this journal was "thought-provoking," it ignores improvements in students, faculty and instructional-administrative procedures she has made.



T. Norman Van Cott, Ph.D., an adjunct scholar of the foundation, is a professor at Ball State University. A version of this essay was first posted by the the John William Pope Center for Higher Education at <http://www.popecenter.org>. Copyright © 2012, the John William Pope Center. All Rights Reserved. Reprinted with permission.

FOLLOWING UP

Senator Jim Banks introduced Indiana Senate Bill No. 392, which mandated all state institutions report grades for general-education courses that had class sizes of at least 25 students.

that pervades college campuses. That was quite a lot of publicity for the article. Would it lead to any changes in standards at BSU?

Professor Deitsch (who retired in January) and I were surprised when the grade-inflation issue resurfaced at BSU's all-university fall 2011 faculty meeting. Provost King, addressing the faculty, said:

As noted by our own Professors Deitsch and Van Cott in their publication for the John William Pope Center for Higher Education Policy, grade inflation does exist. I have already asked the deans to look at grade inflation, but it is ultimately the prerogative of the faculty to uphold academic rigor. There is no excuse. That is your job. We owe it to our students, our respective disciplines, and ourselves to uphold standards of academic rigor. And it is one I am confident you understand and embrace.

So BSU officials became aware of grade inflation during the summer, only to say the problem was beyond their control. Provost King repeated the administrative-impotence claim to BSU's College of Business faculty in May 2012. I wonder if BSU administrators have ever considered factoring course grades into salary, promotion and tenure decisions? Just a thought.

Notwithstanding this plea of administrative impotence, the provost convened a university "task force" to investigate academic rigor at the university. By academic department, starting with the task-force chair, the 11 faculty members on the task force (there are also two students) are:

- Professor — Landscape Architecture
- Assistant Professor (non-tenure track) — English
- Associate Professor — Telecommunications
- Associate Professor — Information Systems
- Professor — Geological Sciences

- Assistant Professor — Social Foundations of Education and Multi-Cultural Education

- Professor — History
- Professor — Exercise Science
- Professor — Music (Piano)
- Instructor (non-tenure track) — Mathematical Sciences

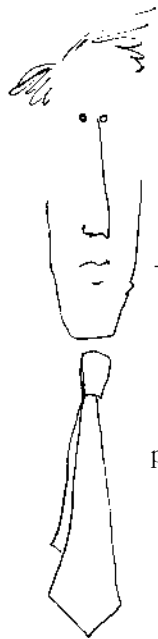
- Professor — Elementary Education

Call me old-fashioned, but when academic matters are at issue, distinguished scholars in, say, biology, chemistry, economics, English, finance, mathematics and psychology are an essential ingredient. Not one is on the BSU task force. While English and mathematics faculty are included, they are contract (non-tenure track) professors. With all due respect to my colleagues, academic task forces that do not enjoy input from distinguished scholars in an array of traditional disciplines are apt to make a mockery of their efforts.

And when the task force did meet, its actions did not reflect any urgency. Reporting its progress to the BSU faculty senate in April 2012, the chair noted that while the task force's effort was about 40 percent complete, it had not yet come up with a workable definition of "academic rigor." Senator Banks' role in the story doesn't stop with his letter to President Gora. He introduced Indiana Senate Bill No. 392, which mandated all state institutions report grades for general education courses that had class sizes of at least 25 students.

It also required that grade data be sorted by tenured faculty, faculty on a tenure track, and non-tenure track faculty, the hypothesis being that the latter two faculty classifications use easy grades to "purchase" good evaluations from students in order to obtain tenure or continued employment. The bill passed the state senate 49-0 on Feb. 1 but the state House of Representatives has not considered it.

The bottom line is that "Too Many Rhinestones" so stirred the Indiana higher-education establishment that grade inflation became an issue in a multitude of venues. Quite a few people in the state are upset over the slipping of academic standards but — sadly — those who could do something about it would rather just see the issue go away.



"Get action. Seize the moment. Man was never intended to become an oyster."
(Theodore Roosevelt)



ANDREA NEAL

(July 4)— In Sequoia National Park in California, tall trees beckon one million visitors a year. The tourists come from all over the world to see something exceptional: the largest living things on earth.

Rangers don't think twice about marketing the park's uniqueness. Brochures in multiple languages brag of "big trees, high peaks and deep canyons in North America's longest single continuous mountain range; superlatives abound amidst glorious scenery."

If only we Americans could market our country with similar awe and admiration.

On this Fourth of July, the United States faces an image crisis. Unlike the tall trees, our country is not admired around the world.

The Pew Global Attitudes Project routinely surveys citizens from other countries about their views on U.S. policies and values. The spring 2012 poll results were stunning.

In only one of 20 countries polled – Japan – did a majority of respondents say it was a good thing "that American ideas and customs are spreading here." In only four did a majority say they liked "American ideas about democracy."

In 12 countries, a majority of citizens said they admired "American music, movies and television."

This was in sharp contrast to 2002 when a majority of citizens in 21 of 36 countries polled said they liked American ideas about democracy.

Today we celebrate what makes the United States different from the rest of the world, and it's not Kim Kardashian. The Declaration of Independence not only severed colonial ties with England, it declared some exceptional ideas for the time period: that people have natural rights that government cannot take away and that

the overriding purpose of government is to protect them.

Eleven years later, some of the same folks who signed the Declaration wrote a radical Constitution that created a democratic republic with three branches of government, imposed limits on those in power and guaranteed popular participation in choosing leaders. More exceptionalism.

Then came a Bill of Rights that guaranteed due process and equal protection, concepts that would eventually lead to the extension of rights to blacks, women and other disadvantaged groups.

"We have been, at least to date, exceptional in being a self-governed democratic republic firmly based on individual liberty. That liberty is the guarantee of our continual progress," writes Ken Jowitt, senior fellow at the Hoover Institution and political science professor at the University of California, Berkeley.

Exceptionalism does not mean perfection, and the United States has many times fallen short of our ideals. When we fail to acknowledge our mistakes, act like bullies or hide under a superiority complex, we fuel negative perceptions, and that may help explain global attitudes.

But our democratic ideas remain exceptional and we should promote them aggressively.

Unfortunately, the notion of American exceptionalism has been abandoned by many in academia and politicized by those in power. It became a campaign issue in 2000 when Bush Republicans accused Gore Democrats of a "global multilateralism" that diminished the unique history, role and responsibilities of the United States in the world. A similar theme is emerging in the 2012 contest between President Obama and Republican Mitt Romney.

It's time to ban the word *exceptionalism* from candidate talking points. Our uniqueness should be an accepted tenet of U.S. history, taught to every child in every school and translated into multiple languages around the world. Our democratic ideas are what make

It's time to ban the word exceptionalism from candidate talking points. Our uniqueness should be an accepted tenet of U.S. history, taught to every child in every school and translated into multiple languages around the world.

The Coalition of Central Indiana Tea Parties wants Indiana to withdraw from the so-called "Common Core" educational standards or what it calls an "unconstitutional federal-education takeover." Gov. Mitch Daniels and State School Superintendent Tony Bennett are staunch supporters of the national standards..

us different, not our music, movies or television.

On this Fourth of July, we could all use a lesson from the *Sequoiadendron giganteum*, which grow only in the Sierra Nevada region of California and are indisputably the world's biggest trees in terms of volume: If you've got it, flaunt it.

When the rest of the world appreciates America more for Spiderman and Snooki than for our commitment to life, liberty and the pursuit of happiness, we have a Sequoia-size job to do.

Questions Surround 'Common Core'

(June 20) — A battle is brewing on the education-reform front over Indiana's embrace of Common Core — a set of math and English standards being implemented across the country to govern what is taught and tested from kindergarten to grade 12.

The debate is half-policy, half-politics. On both counts Indiana officials' defense of the Core is perplexing.

Leading policy experts on standards and curricula have questioned why Indiana would abandon its previous standards, which were ranked among the best in the country.

The Thomas B. Fordham Institute, a champion of Common Core, has called Indiana's English and Language Arts standards "clearly superior" and our math standards of comparable quality. Nationally known reform expert Sandra Stotsky says Indiana traded in a "silk purse for a sow's ear" when education officials adopted the Core's high-school English standards.

As for the politics, conservatives worry that the shift to national standards by 46 states — albeit voluntary — is a step toward centrally controlled curricula. As evidence, they note that the Obama administration has used participation in Common Core as a condition for states seeking federal Race to the Top funds and waivers from the No Child Left Behind Act.

The Coalition of Central Indiana Tea Parties wants Indiana to withdraw from what it calls "the unconstitutional federal-education takeover."

And yet, Gov. Mitch Daniels and State School Superintendent Tony Bennett,

themselves advocates of conservative principles, are among Common Core's staunch supporters.

Mr. Bennett insists the new standards are an improvement over what Indiana previously had because they are "fewer, clearer, deeper." He rejects the notion of a federal takeover calling the Core a collaborative effort by the National Governors Association and Council of Chief State School Officers. "We didn't give up state control," he says.

Further, Mr. Bennett says, Common Core finally makes it possible for Indiana to see how students stack up against their peers from other states. Beginning in the 2014-2015 school year, the English and math sections of ISTEP (Indiana Statewide Testing for Educational Progress) and End-of-Course Assessments in high school will be replaced by a new test called PARCC (Partnership for Assessment of Readiness for College and Careers) being developed by a consortium of 26 states.

"We have become a society of comparisons. How can we do that if we're not all agreeing to speak the same language?" Mr. Bennett asks.

To critics this smacks of a national curriculum. During the 2012 Legislature, Sen. Scott Schneider, R-Indianapolis, authored a bill that would have required Indiana to withdraw from the Common-Core initiative. The bill was defeated 6-4 in the Senate Education Committee, but since then the Pioneer Institute and conservative American Principles Project released a major study opposing Common Core for "mediocre quality" and "vague and unaccountable governance."

"All around the country backlash is occurring belatedly because of the speed and manner in which these were adopted," says Heather Crossin, an Indianapolis citizen-activist involved in education issues. "It didn't go through a legislature. The public was largely unaware. There wasn't enough time to do a proper analysis the issues deserve."

In a recent interview, Mr. Bennett held firm in his support of Common Core and blamed "people from outside our state" for fanning the opposition. The State Board of Education adopted the Common Core on Aug. 3, 2010, following the exact same process it used to enact the previous

standards, he said. “We adopted them because, frankly, we liked them.”

All but four states have adopted Common Core. Alaska refused because of concerns about costs and federal mandates. Minnesota officials opted out because they felt their own math standards were superior. Virginia liked its standards better too. In Texas, Gov. Rick Perry wouldn’t obligate taxpayers “to unfunded federal obligations or to the adoption of unproven, cost-prohibitive national standards and tests.”

That kind of rhetoric is catching on in Indiana now that folks are finding out the details of Common Core. Supporters can argue until they’re blue in the face, but they will not convince critics their initiative is anything but a one-size-fits-all national curriculum.

ISTA Is Still ‘Crying Wolf’ Over Education Reforms

(June 6) — In Chicago, teachers are poised to go on strike over a pay metric they think is unfair, longer school days they’d rather not work, and class sizes they consider unreasonable.

The Florida Education Association is challenging a proposal that ties teacher evaluations to student test scores, one of several factors used to determine merit-pay awards.

The Massachusetts Teachers Association wants to keep off the November ballot an initiative that would make teacher effectiveness a more-important element in school-staffing decisions than seniority.

And in Indiana, the union is mobilizing teachers against a new educator-licensing system that is more rigorous when it comes to content but more flexible with regard to who can become teachers and how they obtain and maintain their credentials.

You’d think by now teacher unions would have embraced the changes occurring in our schools, yet across the country they persist in efforts to preserve the status quo. In so doing, they risk their credibility as partners in education reform.

For example, the Indiana State Teachers Association has battled Gov. Mitch Daniels at almost every turn: on the expansion of charter schools, on the use of tax dollars to help parents pay for private schools and on

changes in the teacher-evaluation process that untie it from collective bargaining.

The most-recent disagreement involving teacher licensing is a case in point. A memo to union members from Indiana State Teachers Association President Nate Schellenberger and Executive Director Brenda Pike warned that new licensing rules (REPA 2) before the State Board of Education “will de-professionalize teaching and possibly dismantle public education.” The memo urged teachers to speak out against the Rules for Educator Preparation and Accountability and provided talking points detailing their objections.

“We must act quickly,” the memo said. “By licensing individuals who have no university-based teacher preparation or pedagogical training, REPA 2 threatens the quality of our profession and the future of public education.”

The rules took effect in 2010 but are being tweaked by the state board to comply with other legislation. Among other things, they make it easier for non-traditional teachers to enter the profession and weaken the grip held by the major education schools on who can become a teacher and how. A public hearing on the rules was set for 9 a.m. June 21 at the Indiana Department of Education Riley Room, 151 West Ohio Street in Indianapolis.

It’s hard to imagine how new licensing rules threaten to end public education, which serves more than one-million children in Indiana compared with 76,000 in the private system. The hyperbole brings to mind the “boy who cried wolf” and was eventually ignored after sounding one too many false alarms.

Theirs is the kind of rhetoric that alienates the public from the teacher unions although not from teachers themselves. In the most recent Phi Delta Kappa-Gallup Poll of public attitudes toward public schools, 47 percent of respondents said they thought unions have hurt “the quality of public-school education in the United States.” This was up nine percent from the last time the question was asked in 1976. At the same time, almost three-fourths of respondents still express trust and confidence in public-school teachers.

Union leaders warn that new licensing rules threaten to end public education, which serves more than one-million children in Indiana compared with 76,000 in the private system. Such hyperbole brings to mind the “boy who cried wolf” and was eventually ignored after sounding one too many false alarms.

Researchers analyzed legislative campaigns in nine states during the 1994 and 1996 election cycles. "Greater divisiveness in a candidate's primary leads to a higher vote share in the general election."

That's what the unions don't get. Their members still enjoy tremendous goodwill from the families they serve, with the most-positive sentiments coming from people under 40. That same public wants a variety of school reforms and guarantees that effective teachers are in every classroom.

In his book *Special Interest: Teacher unions and America's Public Schools*, Terry Moe of Stanford University made the case that unions are the most-serious obstacle to school reform and that the only way to curb their power is to end collective bargaining.

In 2011, Indiana lawmakers limited the scope of collective bargaining with teacher unions to salaries and benefits, but the fact is unions still play a powerful role in local schools here. They'd be wise to join rather than fight reform efforts if they want to maintain their spot at the negotiating table.

*The Lugar-Mourdock Race:
A Test of the 'Divisive Effect'?*

(May 1) — If family feuds make you squirm, you'll be glad when this primary's over. While Democrats across Indiana have lain low, infighting among Republicans has rivaled that of Cain and Abel.

Dick Lugar — "Obama's favorite Republican."

"Treasurer Richard Mourdock's got problems."

"We can't trust David McIntosh as our congressman." Etc., etc.

In close primary races, such as the Lugar-Mourdock battle, and with an open House seat at stake, as in the heavily Republican 5th District, the heated rhetoric is no surprise. The concern for Republicans is that they will end up self-destructing. Aren't they handing Democrats on a silver platter some of the most-potent arguments to be used against them in the fall?

Nobody knows.

Conventional wisdom holds that there's a "divisive-primary effect." The bloodier a primary, the less likely the winner will prevail in the general election.

The theory is based on several assumptions: 1) That the candidate will emerge so bruised from the primary that he can't recover. 2) That followers of the losing

candidate will not wholeheartedly support their party's nominee, and 3) that to win a divisive primary a candidate must cater to a more-extreme wing of the party, which will hurt him in the November election when voters value moderation.

Pundits have been championing this theory for decades, yet it's been studied by dozens of political scientists, and they've all reached different conclusions.

A 2005 article in *Legislative Studies Quarterly* noted, "Some studies have found that divisive primaries hurt candidates in the general election; others have found a mixed relationship or none at all. Recent scholarship has even begun to turn the common wisdom on its head, finding that divisive primaries actually help U.S. House challengers."

The 2008 primary between Barack Obama and Hillary Clinton provided another case study. Republican John McCain clinched the GOP nomination by early March; Democrats battled until June when Mrs. Clinton finally conceded there was no way for her to win the delegate count at the Democratic National Convention.

One researcher found that Mr. Obama's general election vote totals were higher in the most-competitive primary states. Another concluded that the divisive primary suppressed turnout among some voters and caused more defections to John McCain and the Republicans. Either way, Mr. Obama won the popular vote with a whopping six-point margin.

Although it's dated, a major 1984 study by Patrick Kenney and Tom Rice examined the relationship between primary divisiveness and general-election results in gubernatorial and senatorial elections. Its conclusion: "A divisive primary adversely affects a party's chance for general-election victory." Curiously, the study found that divisive primaries hurt Senate candidates more than governor candidates and Democrats more than Republicans.

Subsequent studies have challenged these findings.

*All-Boys Charter Sets
Educational First*

(March 19) — ISTEP passage rates at the Charles A. Tindley Accelerated

School in Indianapolis are among the state's highest, but the school's leaders and supporters believe they can be higher still.

That confidence lies behind the school's announcement that it will open an all-boys middle school in 2012-2013 with an all-girls middle school to follow. Chancellor and CEO Marcus Robinson has data to show that urban children excel when offered challenging curricula, an extended school day, exceptional teachers and the expectation that all students will go to college.

Tindley is a charter school that opened in 2004 and serves students in grades 6-12, most of them African-Americans and on free or reduced-price lunch. In 2010-2011, Tindley students scored an 82 percent "performance rate" (percent passing the ISTEP and GQE/End of Course Assessment) in language arts and an 86 percent in math, both well-above state average. Yet boys typically underperform girls there by five to eight percentage points.

Mr. Robinson expects the next set of numbers to show boys and girls learn more effectively when separated by gender and when pedagogy is tailored to learning styles. Thus the plan to go beyond single-sex classes, which are currently offered, to all-boys and all-girls campuses for grades six to eight.

Separating children by gender, by itself, is not the secret, Mr. Robinson said, but must be accompanied by proven instructional techniques delivered by highly-trained staff. "You've got to come at their differences," Mr. Robinson said, which is why his teachers receive professional development in programs like Chris Biffle's Whole Brain Teaching and Doug Lemov's Teach Like a Champion.

Among other differences, the all-boys school will use a competitive approach to academics, add organized movement to its school day and rely heavily on mentor relationships with groups like 100 Black Men. Eighty percent of its staff will be male.

Although the Tindley Preparatory Academy will be the first all-boys public charter school in Indianapolis, the one-gender design is nothing new. Single-sex private schools have long been an option, and single-sex public schools have been

growing in popularity since 2006. That's when the U.S. Department of Education issued regulations making clear that they did not fall afoul of Title IX, which prohibits sex discrimination in federally funded educational programs.

The National Association for Single Sex Public Education has posted on its website an overview of research on single-gender education. Although results appear mixed depending on factors such as age level and school size, overall the data is promising.

One of the bigger studies analyzed performance of 270,000 Australian students in 53 subjects and found that those in same-sex settings scored 15 to 22 percentile ranks higher than peers in co-ed settings. Further, the report found that "boys and girls in single-sex schools were more likely to be better behaved and to find learning more enjoyable and the curriculum more relevant."

Closer to home, results of a pilot project in Florida found both boys and girls performed better on the Florida Comprehensive Assessment Test when assigned to single-sex classrooms. Of boys in co-ed classes, 37 scored at the proficient level compared to 86 percent of boys in single-sex classes. Fifty-nine percent of girls in co-ed classes scored proficient while 75 percent of girls in single-sex classes did.

People don't talk about this data because it flies in the face of modern understanding of gender equity and of our country's historic commitment to co-education. But teaching must follow science, and science confirms what parents and teachers suspect. The brains of boys and girls develop differently.

In scientific terms, "total cerebral volume" peaks at age 10 or 11 in girls and at 14 or 15 in boys. This may explain why single-sex education is considered most effective in the middle-school years.

Research on how this plays out in the classroom is scant, but Tindley hopes to change that.

To that end, Tindley is looking for research partners to document results of the endeavor. "First things first," Mr. Robinson says. "We have to prove that it works."

One of the bigger studies analyzed performance of 270,000 Australian students in 53 subjects and found that those in same-sex settings scored 15 to 22 percentile ranks higher than peers in co-ed settings.

Twenty years ago in a report for this foundation, the author proposed that state assistance be student-directed not institutionally directed. The idea was simple: Divide up the current legislative appropriation to higher ed to individual accounts granted to eligible high-school graduates.



CECIL BOHANON

(June 24) — Here is a simple federal income-tax reform proposal. All earners report their income based on the current definition of adjusted gross income (AGI). All current tax exemptions, deductions and credits are abolished. Taxable income becomes adjusted gross income. All tax preferences are gone — tax breaks are nada, nothing, nil, not there.

AGI from \$0 to \$32,396 is taxed at one percent. This is the income level in 2009 that defined the bottom 50 percent of all tax returns filed, the latest year for which data is available. Income between \$32,396 and \$343,927 is taxed at 12 percent. All income above \$343,927, the threshold income level for being in the infamous top one percent of AGI filings, is taxed at 23 percent.

Conservatives should love this proposal. Everyone has to pay something — all citizens have a “skin in the fiscal game.” Marginal tax rates are significantly reduced for almost all. Taxes are simplified and streamlined: Most taxpayers can file their returns on a postcard.

Conventional liberals should love this proposal. The system is progressive — the millionaire pays more both in dollars and percentages than the pauper — and the big boys have no loopholes. Moreover, federal income-tax revenues are 12 percent more than what they would have been; and this calculation does not include any “incentive effect” that would likely expand income earnings from the lower marginal tax rates. Tax accountants and lawyers would note their incomes decline, but this is small price for a more-efficient and deficit-reducing tax structure.

So what is the chance this or any reform like it will be adopted under any administration and congress? The answer is zero, and here’s why:

The real-estate home-construction lobby — that is, all of us who own homes and have mortgages — would cry foul.

Cecil Bohanon, Ph.D., is an adjunct scholar and regular columnist with the foundation.

Mortgage-interest deductions would be gone, and how can the economy recover if we cripple housing? (Wait, wasn’t it overbuilding in housing that got us into the recession? Oh, shut up.) Middle-class folks would demand that this one exception be made.

Religious and non-profit organization would cry foul: no charitable deductions. Egad, what happens to end-of-year fundraising? Every newsletter from every non-profit will be urging their donor base to rise up in arms against this cruel change.

And what else? Local property and state income taxes are no longer deductible. Taxpayers will sorely miss this deduction and state legislators and local officials will roundly condemn its elimination as monstrous. And wait — no more deductions for children, spouses, blind folks; no more earned-income tax credit or credits for solar panels or whatever the latest fashion the environmentalists are pushing.

We see the picture. Congress would be overrun by lobbyists of all stripes crying doom and gloom if their tax break were not added as a necessary exception. They would kill this bill in two second.

But just who are these special-interest groups corrupting policy? Fat-cat suit-clad demons from big corporations? Evil government bureaucrats intent on pushing a social agenda?

Nope, to find the special interests that muck up our political process just get up in the morning, buddy, and look in the mirror. As Pogo said, “We have met the enemy and he is us.”

Top-Down Is not the Way To Fix our Colleges

(July 11) — The Indiana Commission for Higher Education (ICHE) is encouraging state-supported institutions to: 1) increase graduation rates; and 2) ensure that students graduate in four years. The broader goal is to generate more college graduates in Indiana and more STEM (Science, Technology, Engineering and Mathematical) grads in the mix. As higher education is state-supported, such mandates from the overseers of higher education seem appropriate — he who pays the piper calls the tune. As I

understand it, future university funding depends in part on how well institutions of higher learning achieve these goals.

Numerous curricula meetings I have attended and chaired in the last two years have focused on how to streamline university programs to meet the four-year requirement. A component of the incipient “strategic plan” of my institution includes “reducing the number of *D*s, *F*s and *W*s” awarded to students. Fewer failing students mean more graduating students and closer alignment of university output to the ICHE goals.

Economists think of the skills and knowledge students receive in higher education as creating “human capital.” A well-educated workforce is unquestionably more productive. A more-productive workforce generates higher incomes for those who acquire human capital and even for those who do not. This is the fundamental economic argument for state and federal subsidies to higher education — it is seen as an investment in workforce development that will generate economic returns. An equally important reason for subsidy is to ensure that all qualified students have access to income-improving doses of human capital regardless of their family’s economic circumstances. This narrative shapes thinking on higher-education policy and is certainly behind ICHE mandates faced by our state-assisted universities and colleges.

But is such a top-down approach the best way to expand and equalize human capital acquisition in Indiana? I say top-down because ICHE acts as a kind of central planner for higher education in Indiana. If central planning is not an effective way of organizing textile production in India why would we think it is likely to be effective in directing human-capital acquisition in Indiana? The reality is that many students spend more than four years in college or do not graduate because they fail tough classes. Often this is from a lack of discipline, sometimes from a lack of ability or preparation. A simple but perverse way to “improve” graduation rates is to lower academic standards so more students pass tough classes. Surely anyone can surmise the mal-incentive in rewarding degree completion *per se*. In a similar vein, as much as STEM seems to be the wave of

the future, is any individual or committee so wise as to determine which degrees are STEM much less which are best for Indiana students or our future economy?

Twenty years ago I proposed that state assistance be student-directed not institutionally directed in an *Indiana Policy Review* report. (By the way, no one affiliated with this foundation then or now is bound to endorse the content of that study.) The idea was simple: Divide up the current legislative appropriation to higher ed to individual accounts granted to eligible high-school graduates. Allow the student and parents-guardians to access her account to pay tuition at the state school of their choice. Free state-assisted schools from legislative and bureaucratic directives. By definition, public support of higher education does not change. The amount in each student’s account approximates the tuition gap currently provided by the state for four years of a student’s education. Once the individual’s fund is exhausted the student has to pay full price for repeated coursework.

That seems a much better way of reducing *D*s, *F*s and *W*s.

There’s Much for an Economist To Applaud in ‘Liberal’ Indiana

(May 28) — In May 1988, Professor James McGill Buchanan, the 1986 recipient of the Nobel Prize in Economics, told the graduating class at Ball State University that he “had never been attracted to the romantic nonsense that government or politicians know what is best . . .” He encouraged the students to “nurture a skepticism uniquely Midwestern in its origins that questions the authority of politicians, governments and institutions.”

Although Dr. Buchanan cautioned against a skepticism that rejected authority because it was authority, he urged the audience to embrace a wisdom that combined “radicalism and conservatism.”

Dr. Buchanan is today an active and vigorous 92 years old. As with any great scholar his thinking plants seeds that bear fruit later on. Although it has taken me 24 years to articulate it, let me list four things classical liberals (*aka* libertarians) love about Indiana.

It’s still OK to make a fortune in Indiana: Such folks are respected and admired. Especially those who make community contributions.

Will residential higher education become the buggy-whip factory of the new millennium? That is a good question. Despite my grumblings I think the higher-ups at my university are encouraging us to address this issue, and at the risk of being a booster for Ball State, I think we might succeed.

It's OK to make a fortune in Indiana: such folks are respected and admired. Especially those who make community contributions. In addition to providing employment to Hoosiers, the Balls of Muncie, the Goodrich's of Winchester and Indianapolis, the Millers of Columbus, the Hulmans of Terre Haute, the Lillys of Indianapolis, among others, have founded or contributed to parks, foundations, schools and hospitals in their hometowns and throughout the state.

Such civic engagement is shared by wide swaths of the Indiana population. When confronted with a local problem, a human need, a potential community embellishment or a cultural opportunity, Hoosiers of all stripes don't look to the government as the first and natural source of support. Rather, they organize their friends and neighbors to solve problems and make improvements. From Sunday-school classes serving food at a homeless shelter to civic clubs maintaining a local park, Hoosiers are a model of de Tocqueville's dictum that "the health of a democratic society may be measured by the quality of functions performed by private citizens." A corollary of this is a suspicion of playing the federal-aid game. An August 1940 story in *Life* magazine on Elwood, Indiana, the hometown of that year's Republican presidential candidate, made a number of unflattering comments about the community. It also attributed the construction of the local public swimming pool in Calloway Park to Franklin Roosevelt's Works Progress Administration (WPA). An Elwood resident's letter to the editor corrected this by pointing out the city paid for the pool's construction before Mr. Roosevelt was in office.

Hoosiers insist upon a capable but frugal government. The first instinct when government budgets are out of balance is to look for ways to cut spending, not raise taxes. Hoosiers are suspicious of tax-and-spend schemes — and this is bipartisan.

In my local community individual United Auto Worker Democrats have been the most-persistent fiscal hawks. Republican Governor Daniels quite rightly claims he balanced the budget with the help of Democrats in the Legislature; but also recall Democratic Governor Evan Bayh received an *A* rating for fiscal prudence

from the libertarian Cato Institute in 1992.

Finally the Indianapolis 500 — here is a public spectacle that includes over 300,000-plus people from all age groups and classes. It is a local economic development-tourism office dream of an event that generates a large economic impact, yet to the best of this author's knowledge does not receive any direct fiscal support from the city or the state. Yes, the local government plays an important role but its role is to facilitate the event (traffic control, police services) not manage or direct it. And I bet this is part of what Professor Buchanan admires about us Hoosiers: we are skeptical but not cynical about the role of government.

This College Engages Students In Work Experience

(May 7) — I have just finished my 32nd year teaching economics at Ball State University. Thirty or even 20 years ago I enthusiastically advised bright undergraduate students to pursue teaching and research careers in higher education. Today I am much-less enthusiastic. Part of this traces to issues in the economics profession: Economists are increasingly becoming the number-crunching math jocks that my Nobel Prize-winning professor described as dullards. Many newly minted Ph.D.s know the latest mathematical proofs, but can't tell you in simple English why office buildings are taller in Chicago than in Columbus, Indiana.

Part also traces to issues in higher education. Tenure-track positions are being replaced with contract positions as the number of university administrators grow. The core curriculum at my university requires no common intellectual content; grade inflation seems pervasive and politically correct parroting too often substitutes for critical inquiry. But this is inside baseball. The real threat facing brick-and-mortar residential undergraduate universities is why should anyone obtain instruction in a classroom when the same course content and subsequent certification can be had online at a lower cost and with more convenience? Will residential higher education become

the buggy-whip factory of the new millennium?

That is a good question. Despite my grumblings I think the higher-ups at my university are encouraging us to address this issue, and at the risk of being a booster for Ball State, I think we might succeed. The general point is that institutions of higher education must differentiate themselves in the market. University *X* should not be a carbon copy of University *Y*. Full-time higher-education programs must offer something of value that prospective students can't get online.

A couple of weeks ago a colleague and I took a dozen economics students to Chicago. We visited the Federal Reserve Bank and the Commodity Exchange and had arranged to talk with employees at both. We had breakfast with a young lady only a few years older than our students who works at a consulting firm that advises Fortune 100 companies. She described her work and indicated how her undergraduate economics degree had shaped it.

Later in the morning we split into two groups and visited the workplace of two successful 30-something alumni who worked in the Financial District. Each had

graciously agreed to open his workplace and give of his time to meet with the students. In the afternoon we visited a public-policy think tank.

A generous economics alumnus in his late 20s, who is also a serial entrepreneur, had arranged for us to stay at the prestigious Union League Club. He met with us for dinner and had helped raise funds from other alumni to support the trip. By the way, the students adhered to the club's dress code and were professional, courteous and engaged at every turn. We are proud of them.

I am almost 100 percent sure this experience is not available online. The students actually missed two days of classes, but as Mark Twain said, "never let your schooling get in the way of your education." The thing that is remarkable about this experience is that it is not remarkable at Ball State. Faculty across colleges and disciplines offer these kinds of intensive experiences to students. Despite many rivalries and differences the faculty is coalescing around a vision of student engagement. Time will tell whether this will fill a market niche — but I hope it does, and I think it might.

Institutions of higher education must differentiate themselves in the market. University X should not be a carbon copy of University Y. Full-time higher-education programs must offer something of value that prospective students can't get online.

When it comes to education, one size doesn't fit all. Yet that is exactly the kind of system we would get if the U.S. required all students to meet a single set of national academic standards. Proposing that all children meet the same standards is essentially proposing a nationalized system of education. Some reformers may argue otherwise, but the truth is that standards drive testing, which in turn drives what material is covered, as well as how and when it is taught. Such uniformity would only make sense if: 1) there was a single best way for all students to learn; 2) we knew what it was; 3) we could be sure the people running this nationalized education system would adopt that correct approach; and 4) they would remain in charge far into the future. But that isn't how things are. There is no consensus on what all students need to know. Different students can best be taught and assessed in different ways. Even if we could identify a single, best way to educate all children, who is to say the people controlling the nationalized education system would pursue those correct approaches? Reformers would do well to remember that they are politically weaker than teacher unions and other entrenched interests. . . . It is true that some high-achieving countries do have national standards — examples include Singapore and Finland — but these countries contain small homogeneous populations that might be more comparable to one of our states or large districts than to the U.S. as a whole. And many lower-achieving countries, such as Greece and Thailand, have national standards and curricula. The way to improve our students' performance is to reinvigorate choice and competition, not stifle it. We should be as wary of central planning for our education system as we would for our economy.

— Dr. Jay P. Greene, Department of Education Reform at the University of Arkansas, in the June 22 Wall Street Journal



MARYANN O. KEATING

“Professional” associations do not censor member wrongdoings or appear concerned with advancing knowledge and good practices. Rather, they act as interest groups enhancing the power and income of their membership.

Restoring Professionalism To Education

(May 21) — Steve Jobs, the computer pioneer, warned Barack Obama that there can be no effective educational reform unless teachers are treated as professionals, not like workers in an assembly line (the book *Steve Jobs* by Walter Isaacson). James Buchanan, the Nobel Laureate in Economics, noted that education is a unique activity: Those who consume it do not purchase it; those who produce it do not sell it; and those who finance it do not control it.

What did Mr. Jobs mean in saying that teachers must be treated like professionals? Wikipedia says that a *professional* is a person paid to undertake a specialized set of tasks and to complete them for a fee. Although the term is currently applied to many, the term *professional* traditionally referred to doctors, lawyers, clergy and commissioned military officers.

The word differentiates amateur sport players from paid players, and refers as well to the quality of workmanship or service. At times, *professional* is used to define groups of well-educated individuals with considerable work autonomy but who, nevertheless, are subject to strict codes of conduct.

Professional behavior is not universally admired. Professionals are sometimes criticized as being less creative and diverse due to the subtle indoctrination and filtering which accompanies professional training (*Disciplined Minds* by Jeff Schmidt). Certainly, though, Steve Jobs, developer of the Mac, iPod, etc., did not intend that education become less creative.

Could it be that the professionalism that Mr. Jobs desired has to do with the relationship between student and teacher? The professional operates in trust with his or her client, often in confidentiality. Neither professional nor client can be perfectly certain that the subject material can be learned, the body healed, or the case ruled in the client's favor. The client is assured only of the process and the professional's intention to do no harm. At times, a professional is expected to place the interest of a client ahead of his own interest, as fire and police professionals did on 9/11.

Mr. Jobs would probably have acknowledged two cases in which instructors were permitted to act as professionals: Annie Sullivan and Jaime Escalante portrayed respectively in the movies “The Miracle Worker” and “Stand and Deliver.” There is, on the other hand, a pervasive perception in American society that professionals need to be taken down a notch, as was Ichabod Crane in *The Legend of Sleepy Hollow*. In coaching, however, if not in the classroom, professional intensity continues to be accepted and respected. At home in Indiana and across the country, the movie “Hoosiers” is an American classic.

Some believe that professionalism transcends monetary considerations with a duty not to abandon a client based on his inability to pay. Recall the attorney, Atticus, in “*To Kill a Mockingbird*,” accepting payment in kind. In addition to respect and some degree of autonomy, professionals need payment for services rendered. Sigmund Freud insisted that therapy would never be considered a profession without the ability to charge for service. The fee is important, even when it does not fully compensate, because it clearly indicates to whom the professional has fiduciary responsibility.

Has the sheer complexity of modern life rendered professions obsolete? The explosion of knowledge and accessibility to the lay person appears to diminish the

*Maryann O. Keating, Ph.D., an adjunct scholar of the Indiana Policy Review Foundation living in South Bend, is co-author of *Microeconomics for Public Managers*, Wiley/Blackwell, 2009.*

** The population of California is over five times that of Indiana; therefore, dollar values presented are given on a per-resident basis, which includes estimates for illegal aliens. Per-capita figures include every man, woman and child, and as such underestimate household tax burdens. For the U.S. as a whole, there are about 2.5 persons per household.*

expertise of any individual professional. In medicine, for example, every square inch of the body has been assigned to distinct specialties. Elementary teachers, as well, are certified in reading, language arts or math. Specialization, along with third-party payments, accounts for some of the weakening in professional/client relationships.

Apart from technological considerations and dislike of hierarchies, something more sinister has affected our perception of professionals. The abuse of children and other professional malfeasance has put us on guard and lowered trust. "Professional" associations do not censor member wrongdoings or appear concerned with advancing knowledge and good practices. Rather, they act as interest groups enhancing the power and income of their membership.

Was it ever the case that providers acted unselfishly in the best interest of clients and were given respect for doing so? Has the time come to grow up and come to terms with the concept of Santa Claus? And, yet, it may still be possible to somehow redefine the fiduciary responsibilities of those delivering critical services. If Mr. Jobs was correct in saying that education, and perhaps other services, cannot be effectively reformed without treating providers as "professionals," then we must somehow restore trust.

The State Budget: A 'Pretzel Palace' of Benefits

(June 20) — Gov. Jerry Brown refers to the California state budget, riddled with earmarks and creative accounting, as a "pretzel palace of incredible complexity." If a governor is challenged by the complexity, what hope does the ordinary resident have in getting a handle on state revenue? There will be a cost, however, if Hoosiers ignore what went wrong in the Sunshine State.

California's state deficit is projected to grow from \$3.4 billion in 2009 to over \$15 billion next year unless significant changes are made prior to the new fiscal year which began on July 1. The state will not be able to make certain payments to school districts and vendors or pay salaries of elected officials and staff. The Legislature hopes to work out a deal with the governor in the coming days.

To assist in balancing the state budget, elected officials are counting on voters to agree in November to increased sales and income taxes. In February alone, 10,300 California state and local government jobs were cut. Since the beginning of the recession, government jobs in California have declined by five percent.

The four dominant sources of revenue coming into a state's budget are intergovernmental revenue (mainly from the federal government), taxes, charges and miscellaneous income.* California and Indiana state revenue by source divided by the respective number of residents is provided as follows for 2010:

*Table 1: General State Revenue
per Resident by Source, 2010*

	California	Indiana
Intergovernmental	1,820	1,604
Taxes	2,814	2,128
General Sales	837	916
Selected Sales	198	393
Licenses	218	109
Individual Income	1,225	597
Corporate Income	245	92
Other	91	21
Charges	416	547
Miscellaneous	229	318
General Revenue	\$5,278	\$4,596

Source: Calculations are based on
U.S. Census Bureau data.

In 2010, the federal government channeled slightly more per capita in Medicaid, unemployment benefits, etc., through the California state budget than through the Indiana budget. The most-striking difference, however, is the fact that California collects more than twice as much per capita in individual and corporate income taxes than Indiana. No doubt, the heavier reliance on income taxes (as compared with sales taxes) makes California's revenue stream highly volatile. Half of California's revenue from income taxes is derived from the top one percent of the population, who experience dramatic income collapses during recessions and stock-market declines.

California is the state with the largest amount of cash and investment holdings for state- and locally administered

California collects more than twice as much per capita in individual and corporate income taxes than Indiana.

In Indiana, 4.5 percent of residents are members of state or local public "defined-benefit" plans and 1.8 percent receive a pension averaging \$15,115. Indiana state and local taxpayers contributed \$229 per resident to these retirement systems.

pensions. Nongovernmental securities consist of corporate stocks and bonds, foreign and international securities, mortgages, funds held in trust, and other instruments, including mutual funds. The value and income earned on these assets contributes further to increased revenue volatility.

Now, let's consider how California and Indiana spend dollars collected mainly from taxes and intergovernmental revenue. The division of responsibilities between local municipalities and state government weakens our cross-state comparisons but the facts about state spending remain. Although Table 2 below lists state expenditures per resident by function, there is no way to determine what percentage actually filters down to the client in the clinic, in the classroom or on the highway. Listed amounts include compensation for state employees providing services.

For each man, woman and child resident, the state of California in 2010 spent \$817 in wages and salaries to public employees. The comparable amount for Indiana was \$654.

Table 2: General State Expenditures per Resident by Function, 2010

	California	Indiana
Education	1,887	2,192
Public Welfare	1,714	1,233
Hospitals	296	26
Health	195	90
Highways	358	410
Police Protection	44	38
Corrections	214	103
Natural Resources	111	48
Parks and Recreation	12	12
Administration	224	82
Interest on General Debt	170	154
Other Unallocable	423	318
Total General Expenditures	\$5,647	\$4,704

Source: Calculations are based on U.S. Census Bureau data.

The state of Indiana spends considerably more per capita on education and highways

than California, which spends significantly more on welfare, health services, police and corrections. The California prison system spends in excess of \$45,000 per year per inmate, about equal to the median take-home pay of American families.

Unlike Indiana, California has not been able to pass pension-proposal reform for public employees. Active California government employees, however, contribute (and receive) more dollars on average in state and local pension funds than do those in Indiana. There are 1.66 active state and local employee participants for each defined-benefit recipient in California, and 1.99 in Indiana.

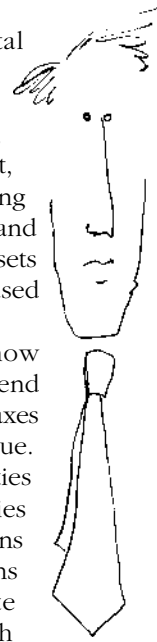
In 2010 in California, 6.2 percent of all residents were members of a state or local public-employee "defined-benefit" retirement plan, and 2.8 percent of all Californians received a yearly state-local pension averaging \$31,629. California state and local tax revenue contributed \$417 per resident to these plans.

In Indiana, 4.5 percent of residents are members of state or local public "defined-benefit" plans and 1.8 percent receive a pension averaging \$15,115. Indiana state and local taxpayers contributed \$229 per resident to these retirement systems.

All states deal with "pretzel palaces," but some state budgets are easier to digest than others. Increased tax rates and uncontrolled spending are causing the Golden State to forfeit its global leadership in technology, agriculture and entertainment. The lesson for Indiana is that state finances don't go wrong, they grow wrong.

A Short Course in 'Robinson Crusoe Economics'

(June 8) — Imagine, if you will, a small island economy; you may call it Pennsylvania, Virginia or Indiana. Assume that the population of the island is steady with 100 residents, two born and two dying each year. Sixty residents are in their prime years, working at home or in town; the remaining inhabitants are disabled,



*"Facts are stubborn things; whatever may be our wishes, our inclination, or the dictates of our passions, they cannot alter facts and evidence."
(John Adams)*

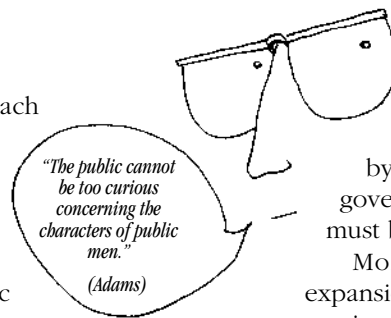
children or elderly. Each year a certain amount of eggs, corn, fruits and vegetables enter the domestic island economy for a constant annual gross domestic product of one million dollars, of which 10 percent accounts for necessary imports which are funded by an equal amount of exports.

Now, suppose that \$50,000 is injected into the island economy each year from the outside, gifted through a church, government agency or private remittances. After some time, it appears that gross domestic product has increased each year by \$150,000 for a new equilibrium Gross Domestic Product (GDP) of \$1,150,000. A simple multiplier of three times the initial \$50,000 injection from the outside represents the value of the additional goods and services produced.

Is it plausible that an additional \$50,000 in spending could bring forth \$150,000 in more corn, fruits and vegetables? Yes, but only if land, machinery, plants, tools and labor, all previously underutilized, begin to produce more. Real investment in chickens is needed to produce eggs, and plowing plus planting produces corn. Workers create manufactured products, and entrepreneurs establish firms and assume responsibility for meeting payroll.

Harvey Golub's article, "How the Recovery Went Wrong," in the May 23 *Wall Street Journal*, states that there is little doubt that additional U.S. government spending since 2008 of \$5 trillion in an economy with an annual GDP of about \$15 trillion had a temporary stimulative effect. The problem is that the cumulative effect on growth is significantly worse than the 11 recoveries from 11 recessions in the past 60 years. Goods and services do not equal those produced previously, and the rate of increase in GDP is insufficient to gain footing on the U.S. growth path.

Mr. Golub argues that stimulus money was not spent wisely, but used to expand government and reward failing or favored auto and power industries. Regulatory pressure, fear of increased taxes, and mandated costs put increased burdens on economically active individuals and the private sector. Furthermore, the stimulus



was funded by debt, much of it held externally by foreign individuals and governments, on which interest must be paid.

Monetary policy was also expansionary with the intention of encouraging investment and, probably, to reduce the amount of tax revenue needed to service the debt. Because of low interest rates, savers' and retirees' incomes have declined and riskier nonproductive investment and consumption have been encouraged.

The American Recovery and Reinvestment Act (ARRA), enacted in February 2009, injected directly into the state budgets about \$135 to \$140 billion over a roughly two-and-a-half-year period. Most of this money was in the form of increased Medicaid funding and a "State Fiscal Stabilization Fund." In addition, H.R. 1586 — the August 2010 jobs bill — extended enhanced Medicaid funding for six months, through June 2011, and added another \$10 billion to the State Fiscal Stabilization Fund. Federal non-defense discretionary spending flowed through state and local governments in the form of funding for education, healthcare, human services, law enforcement and other services that states and localities administer. Although this spending alleviated human distress and ameliorated the hemorrhaging of state government budgets, it failed, for the most part, in drawing forth production from unemployed resources. The phrase *job creation* is a misnomer, or merely an indicator, of a growing economy better utilizing its natural and human resources.

There is no magic bullet in economics. To increase the amount of goods and services consumed in the absence of a significant technological breakthrough, an area must either produce these items at home or purchase them abroad. However, if our hypothetical island economy chooses to borrow in order to consume more in the present, sooner or later it must produce real eggs, corn, computer software, fruits, vegetables, and other goods and services to finance or pay off debt. An effective stimulus depends on engaging existing resources to produce more output.

There is no magic bullet in economics. To increase the amount of goods and services consumed in the absence of a significant technological breakthrough, an area must either produce these items at home or purchase them abroad.

Even those who claim that their jobs are personally fulfilling like to get paid. The goal of public policy should not be to maximize taxes collected from wage earners or make granny work until she drops.

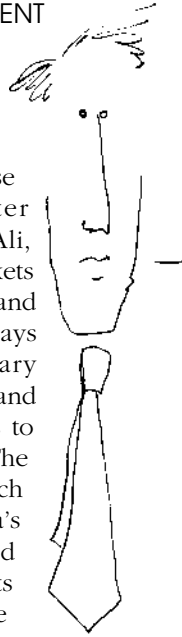
A Reluctance to Punch That Time Clock

(May 9)—To paraphrase champion prize fighter emeritus, Mohammed Ali, workers in U.S. labor markets tend to be mobile, agile and hostile. Gone are the days when a family's primary wage-earner grits his teeth and endures whatever it takes to bring home the bacon. The Indiana Business Research Center notes that Indiana's workforce is projected to decline. These reports suggest that incentives have changed and workers have responded.

The U.S. Bureau of the Census finds that Indiana's dependency ratio, the number of youth (under 20) plus elderly (65 and older) for every 100 people of working age, could rise from 69.9 in 1995 to 80.7 in 2025. The Social Security board of trustees reports that in 2010 there were just 2.9 full- or part-time workers who paid some Social Security taxes in 2010 for each individual who received Social Security benefits. Part of this decline is due to the demographics of age and, recently, the Great Recession. A separate issue is a residual that can only be explained by voluntary withdrawal from working for a wage, a reluctance, so to speak, to punching the clock.

There are several reasons for labor force drop-outs. The increased wealth of some households permits young adults to delay and elders to exit paid employment. Two-earner households offer job flexibility. Finally, the government social safety net supplements wage income. The choice to enter or leave the workforce depending on personal circumstances is good; wage slavery is not a macroeconomic goal.

There is a large group of Americans, however, who would be willing and able to work at higher wages, net of taxes. Not only does the tax wedge between what firms are willing to pay and what workers take home inhibit labor participation, there are, unfortunately, disincentives for individuals to persevere in finding and continuing in paid employment. In a 2009 study, Schmidt and Sevak found that a



10-percent increase in after-tax earnings would increase labor-force participation by 7.5 percent for men and 11.4 percent for women. Lower taxes on wages with more people working could actually increase total tax revenue collected.

"There's no such thing as a free lunch."
(Milton Friedman, 1974)

Observe the backbiting between women who choose to work at home or volunteer and women who participate in the labor market. One enters this eternal discussion at risk. Most would agree, however, that freedom to work in or out of the household is the hallmark of a free society. Furthermore, the extent to which a person participates in the labor force should not be an either/or choice, but additional hours on the job should yield more dollars on one's pay stub.

Americans on average retire more than two years earlier than they did in 1960, in spite of less-strenuous jobs and longer life spans. This affects both tax revenue and contributions into Social Security. However, a study by Briggs, Weaver and Reznik found that for each dollar of additional payroll taxes a near-retiree pays into Social Security, he or she receives only around 2.5 cents in extra lifetime benefits. Most female retirees receive spousal benefits from Social Security based on their spouses' earnings, and this benefit does not increase if she extends her employment and contributes to Social Security on her own account. For younger or low-income workers, the difference between expected benefits and taxes paid in a given year is negative.

It should be noted, however, that single moms represent a group least likely to have a choice about hours worked; they tend to have less wealth and earn lower wages. As they work harder to maintain a certain level of income for their families, they pay higher taxes and jeopardize their eligibility for government transfers. For better or worse, the Internal Revenue Service can count on these women to remain in the labor force.

Labor supply, how workers respond to increases or decreases in wages, is extensively studied in economics. Older studies suggest, at least for men,

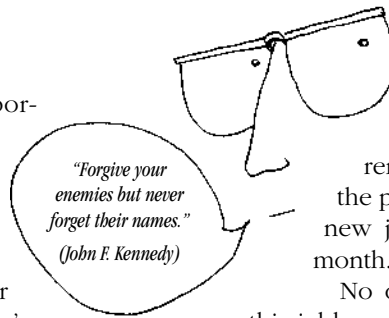
a low response in labor-force participation with respect to after-tax wage rates; higher taxes did not significantly affect hours worked. In a 2004 study analyzing labor participation over a worker's lifetime, however, Imai and Keane found that given higher taxes, workers not only reduce hours worked but also shift their lifetime labor supply, working less at older ages and more at younger ones. Younger workers have more of an incentive to use jobs both to learn and to accumulate wealth. Some labor-force analysts are recommending eliminating Social Security contributions for those approaching retirement to encourage additional years of work. Admittedly, this controversial proposal would decrease Social Security contributions, but definitely increase overall tax revenue.

Ironically, this discussion of creating tax incentives to keep elders in the labor force is taking place when many workers are doing just that. Declining home values and pension-fund balances, as well as fear of inflation, have some baby-boomers postponing retirement. In general, however, the overall rate of those over 16 years working for wages or looking for a job is declining.

We observe that even those who claim that their jobs are personally fulfilling like to get paid. The goal of public policy should not be to maximize taxes collected from wage earners or make granny work until she drops. It is important for the well-being of Indiana families and the nation as a whole to facilitate residents, over the course of their lifetimes, in choosing to enter or exit the labor force.

Indiana's Jobless Recovery; Sticky Wages and the Tax Wedge

(April 9)—The Indiana Department of Workforce Development reports that the unemployment rate in Indiana dropped 0.3 percent to 8.4 percent in February 2012. The nation's unemployment rate is 8.3 percent. Compared with a year ago, Indiana's labor force grew by 40,600 or 1.3 percent, outpacing the national growth and in sharp contrast to neighboring states that saw their labor forces shrink.



Unemployment in Indiana, however, remains high. In particular, the private sector failed to add new jobs during the previous month.

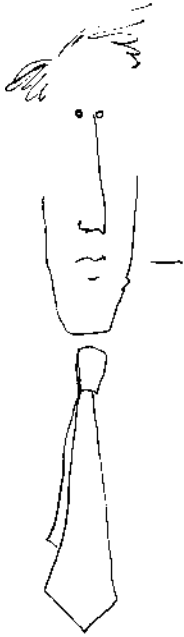
No one is more troubled by this jobless recovery than economists who reflected on the problem at the recent Midwest Economics Association meetings in Evanston. Like every unemployed worker pounding the pavement or Internet, economists puzzle over why firms do not seek out unemployed workers at reduced wages. "Sticky wages" is the term generally used to describe what appears to be disequilibrium between the quantity of those willing to work at existing or lower wages and the quantity of labor demand by firms willing to hire available workers at lower wages.

Reaching into the tool kit of economists, expansionary fiscal policy was expected to increase aggregate demand for goods and services inducing firms to add to their current work force. This has not worked to the degree expected. In addition, traditional monetary tools were employed by the Federal Reserve to lower interest rates and thereby increase private investment and job creation. Neither fiscal nor monetary tools have been effective in the post-Great Recession to restore full employment, defined as 94 to 95 percent of the labor force holding a full- or part-time job. The president of the Minneapolis Federal Reserve Bank admitted in his speech to economists at the meetings that firms have pulled back on hiring due to uncertainty, and that monetary tools are powerless to reduce present joblessness. He advocates hiring subsidies paid by the government to firms for hiring workers. Such policies have some small vocational-training value but do not address the fundamental reasons for high unemployment.

In the United States, a major worker subsidy is the Earned Income Tax Credit (EITC). For a family with two qualifying children, the EITC initially can increase household income by 40 percent. The maximum benefit level is \$5,236, which is eventually phased out through the taxation of additional household earnings. The EITC was intended to encourage

"Sticky wages" is the term generally used to describe what appears to be disequilibrium between the quantity of those willing to work at existing or lower wages and the quantity of labor demand by firms willing to hire available workers at lower wages.

Firms invest in new plants and equipment and hire if they can be reasonably assured that the marginal productivity of additional workers will generate revenue in an amount equal to the cost of additional workers over the next several years.



*"In our present crisis, government is not the solution to our problem. Government is the problem."
(Ronald Reagan, 1981)*

people to accept paid employment. The unintended consequence is that, in families with multiple earners, the EITC creates incentives to exit the labor market, as partners are paid twice for almost identical expected health and retirement benefits.


The American Jobs Act (AJA) attempts to subsidize hiring in two ways: exempting employers from the payroll tax and providing a \$4,000 credit for hiring those unemployed more than six months. Hiring credits present several complications, according to David Neumark at the Center for Economics & Public Policy at the University of California, Irvine. First, a hiring credit may pay employers for hiring they would have done anyway; and second, hiring credits that target disadvantaged workers tend to stigmatize these workers. Finally, the payroll-tax "holiday" applies to businesses that merely increase hours without adding new employees.

Temporary tax abatements and subsidies are designed to lower the "tax wedge." In labor markets the tax wedge is, from the employee's perspective, the difference between before-tax and after-tax wages. From the employer's perspective, it is the difference between the total cost that the firm is willing to pay and the amount the employee takes home after deductions. For 2010, the U.S. tax wage

is calculated at 26.2 percent of median income. Consider an employer willing to pay and an employee willing to accept weekly compensation of \$1,000. After required social-security contributions and taxes on wages, the amount is reduced to \$738. If, in addition, the firm with the employee jointly purchases group health insurance, take-home compensation falls again by several hundred dollars.

Policymakers, in need of tax revenue to finance government, try to foster employment. Generally, paid employment increases both household and firm income, but the tax wedge acts so as to restrict the labor market's movement toward full employment.

Hiring credits for employers and earned-income credits for employees certainly reduce taxes for certain firms and households. Such tinkering, however, does not address the real problems associated with national economic recovery. Firms invest in new plants and equipment and hire if they can be reasonably assured that the marginal productivity of additional workers will generate revenue in an amount equal to the cost of additional workers over the next several years.

Individuals enter into formal full-time employment if somewhat certain that net income from wages permits them to maintain a reasonable standard of living and save. Such assurances are needed for the United States, including Indiana, to fully recover from recession and regain its footing on the long-term growth path. 

Not only is liberty a system under which all government action is guided by principles, but it is an ideal that will not be preserved unless it is itself accepted as an overriding principle governing all particular acts of legislation. Where no such fundamental rule is stubbornly adhered to as an ultimate ideal about which there must be no compromise for the sake of material advantages — as an ideal which, even though it may have to be temporarily infringed during a passing emergency, must form the basis of all permanent arrangements — freedom is almost certain to be destroyed by piecemeal encroachments. For in each particular instance it will be possible to promise concrete and tangible advantages as the result of a curtailment of freedom, while the benefits sacrificed will in their nature always be unknown and uncertain. If freedom were not treated as the supreme principle, the fact that the promises which a free society has to offer can always be only chances and not certainties, only opportunities and not definite gifts to particular individuals, would inevitably prove a fatal weakness and lead to its slow erosion.

— Friedrich Hayek in *"The Constitution of Liberty,"* 1960

THE INDIANA WRITERS GROUP

Fertig, Schansberg, Barbknecht

“The City of Indianapolis is committed to providing a more sustainable, livable community for all of its residents and visitors,” said Mayor (Greg) Ballard. “We hope the additional bins added over the past few weeks inspire patrons to participate in that spirit during Super Bowl XLVI.”

— Press release, Indianapolis Department of Public Works, Feb. 1, 2012

by JASON FERTIG

(April 23) — Handing down a civilization’s legacy to the next generation should be one of the first purposes of education and of at least equal importance to organizing the disposal of refuse. Yet, we do not have to search far to find disturbing examples of historical and cultural illiteracy within our citizenry.

While a lack of such knowledge cannot be exclusively thrown at the feet of the education system, regardless of where the blame falls, our culture is in danger of failing to produce a generation of knowledgeable citizens that passes on that culture to the next one. In other words, our culture may not be sustainable, to use the phrase of moment.

Allow me to provide some firsthand experience. I once asked the following series of extra-credit questions on an exam given to 100 students over the course of two semesters:

Who were the first four U.S. presidents?

Who were the first four “American Idol” winners?

Nineteen students knew the presidents; 51 students knew the Idol winners. Only eight students answered both correctly. Two students included Lincoln as an answer to the president question.

I am using sustainable here in a different connotation



Jason Fertig, Ph.D., an adjunct scholar of the Indiana Policy Review, is an assistant professor of management at the University of Southern Indiana in Evansville. Contact him at editor@inpolicy.org.

(“sustaining our history”) than the current popular usage. For example, as defined by the Indianapolis SustainIndy program (the city has a Director of Sustainability) it means “using best practices to create lasting environmental, economic and community vitality — enhancing our quality of life now and ensuring that future generations of Indianapolis residents have an equally good quality of life.”

That sounds harmless. In practice, though, sustainability is much more than choosing the correct waste bucket or putting out extra trash bins for a Super Bowl.

The National Association of Scholars, an independent network of scholars and citizens, identifies this important caveat in their position that states that *sustainability* appears to be “a benign-sounding term that seems to mean environmental stewardship but piggybacks on multiple non-environmental ideas such as population control, affirmative action, gay rights and anti-capitalism.”

I assert that those of us who have a deep passion for transmitting our culture need to argue for practicing real sustainability.

What can be done? The “Real Sustainability” movement needs to start at the grassroots level. To borrow an environmentalist phrase, there are plenty of opportunities to simply “do your part.”

Are you a teacher? Why not add historical components to your class? For example, when I teach Introduction to Management, my course chronicles management over time – from Egyptians building pyramids to Bill Gates building Microsoft. In doing so, students are exposed to various cultural changes since management practice does not exist in a vacuum. Why not try this with such disciplines as Psychology?

“Sustainability appears to be a benign-sounding term that seems to mean environmental stewardship but piggybacks on multiple non-environmental ideas such as population control, affirmative action, gay rights and anti-capitalism.”

— National Association of Scholars

"More than 80 percent of wage-earners pay more in federal payroll taxes on their income than they pay in federal income taxes. We don't notice it since the money is quietly sucked out of our paychecks and we don't fill out any forms for it."

— Schansberg

For anyone who wants to raise the bar, a talk-radio host, Dennis Prager, has advocated a "July 4th Seder" that is modeled after the Jewish Passover Seder. In the Passover Seder, multiple generations of one's family gather to retell the story of the Jews' exodus from Egypt. What is stopping this practice from occurring on the 4th of July with Americans' struggle for independence from Great Britain? The family is there, the feast is there, and the fireworks and patriotic songs are there; why not take the opportunity to retell our story?

These suggestions are initial steps toward addressing a system that is emitting pollution worse than any compound of chemicals found on the periodic table. Young minds must stop being polluted with useless, fad-based knowledge that weakens intellectual capabilities. If we want to really save the environment — be it environmental or patriotic — we had better get serious.

by ERIC SCHANSBERG

(April 12) — April 15th is the 100th anniversary of the sinking of the Titanic. Of course, April 15th is more famous as the deadline for submitting our income-tax forms. But it falls on a weekend this year, so procrastinators get a brief reprieve.

The Titanic was sunk by an iceberg. And every grade-school child learns that most of an iceberg (about 90 percent) is hidden below the water's surface — part of what makes them so dangerous to ships.

Taxes and government spending have the same characteristic. They are often "hidden" to us.

Sometimes, it's because the tax is subtle — for example, the various taxes on cell phones. (Have you looked at your bill lately?)

Sometimes, it's because we don't pay much attention to politics, focusing on a few policies because we're busy mowing our lawns and raising our children.

Or maybe we get upset about a certain tax — for example, federal income taxes or local property taxes — but

largely ignore other taxes. Maybe we get irritated with some aspect of government spending — for example, on the military or welfare programs — but miss the bigger picture.

What is important but overlooked with the icebergs of government spending and taxation?

First, consider federal income taxes. With complaints that the wealthy do not pay enough taxes, many people want higher marginal tax rates on the rich. (Interestingly, our federal income-tax system — with marginal tax rates ranging from one to seven percent — debuted the year after the Titanic sank.) But the larger issue is tax loopholes — income deductions and tax credits — that lower taxes paid, independent of tax rates.

Second, consider state and local income taxes. At the federal level, families with children don't pay much in income taxes until their earnings are in the upper-middle class. In many cases, though, their state and even local income taxes are higher. In fact, those with income at or below the poverty line still pay state income taxes in 15 states.

Third, federal "payroll" taxes on income (the Federal Insurance Contributions Act or FICA) are far larger for most taxpayers than federal income taxes of the Form 1040 or April 15th variety. More than 80 percent of wage-earners pay more in federal payroll taxes on their income than they pay in federal income taxes. We don't notice it since the money is quietly sucked out of our paychecks and we don't fill out any forms for it.

How can this happen? FICA has no deductions and no exemptions. So, unlike income taxes, the 15.3 percent tax is applied to every dollar earned. And most people believe the fiction that the employer pays half of FICA. But the employer shifts most of the burden to employees, as surely as the local gas station shifts the burden of gas taxes to customers.

Fourth, debt amounts to future taxes. We've had a decade of impressive debt at the federal level. With Medicare and Social Security, we have huge



D. Eric Schansberg, Ph.D., an adjunct scholar of the foundation, is a professor of economics at Indiana University Southeast in New Albany.

entitlement programs and the baby-boomers are retiring. And many states have unsustainable pension programs.

Although it's politically attractive to spend money now and to push taxes into the future, there is a limit to what can be done to delay.

"More than 100 protesters gathered on the steps of the (Santa Monica College) library and marched through campus, picking up more concerned students along the way, as they chanted: 'Education should be free. No cuts. No fees.'"

— April 5, *Los Angeles Times*

by NICK BARBKNECHT

(April 6) — Everyone would love overpriced colleges to be free. The entire society would be educated, prosperity would flourish and professionals would be abundant. But this ideal society is not practical and the cost of college is indeed higher than a Dave Matthews concert.

By gradually reducing and then eliminating federal aid for colleges, the price of tuition will go down. Though this is not the easiest policy to implement with a sound bite, it is the best long-term strategy. The Indiana Legislature should find this a problem it can tackle in the next session.

Take, for example, the fictional Amuricah University. Amuricah raises its tuition about three percent each school year to deal with the rising costs of inflation. The federal government and state government both increase funding to Amuricah each year subsidizing two-thirds of the three-percent tuition hike.

The result? The editors at *smartmoney.com* note that a doctoral candidate at Columbia University looked at data on aid from 1996 to 2008 and calculated that on average schools increased Pell Grant recipients' prices by \$17 in response to every \$100 of Pell Grant aid. "More selective nonprofit schools' response was largest and these schools raised prices by \$66 for every \$100 of Pell Grant aid," the article concluded.



Less cash available lowers prices, plain and simple. A

vast majority of economists agree on this fundamental economic concept. To lower costs in any market, simply lower the supply of available cash. By removing government subsidies, Adam Smith's invisible hand relegates the market to a price level which the greatest amount of people can afford.

By being less reliant on the government, colleges will be forced to cut costs to retain enrollment. Colleges increase tuition prices over and above government subsidy increases. Administrators at colleges view the government subsidies as free money, and then proceed to increase tuition the maximum amount parents will pay over the funding increases.

Say the federal and state governments just announced they would end all subsidies for higher education. Amuricah would likely lower its tuition increase from three percent to one percent in order to both avoid losing students who cannot afford the increase and to avoid increasing its prestigious low-acceptance rate in the process.

Without the artificial influence of government on the market, Indiana colleges will be more successful in delivering on their promises due to their new motive to be self-sustaining. If an institution does not live up to its expectations, the tuition payers will either seek another institution or encourage others in the market to attend another institution.

There are those who argue that education is a right and that society has a responsibility to provide education for each individual, no matter the costs.

Everyone probably agrees this is a noble cause — a citizen who has been provided with a higher-education degree is much more likely to succeed in all areas and make significantly more over his or her lifetime. But no matter how noble, it is a short-term emotional strategy that brings with it long-term losses in the form of higher college costs.

Reducing government subsidies from the college market lowers the amount of available funds. Lowering the available funds for colleges will lower costs.

"By being less reliant on the government, colleges will be forced to cut costs to retain enrollment. Colleges increase tuition prices over and above government subsidy increases. Administrators at colleges view the government subsidies as free money, and then proceed to increase tuition the maximum amount parents will pay over the funding increases."

— Barbknecht

Nick Barbknecht is a senior Accounting Major at Manchester College, where he receives both state and federal aid for his higher education.

(FADED) LETTERS TO THE EDITOR

“So all it comes down to is pestering with letters? Yes, just that. Such pestering combines the dove and the serpent. It means a world where (political) parties have to take care not to alienate Christians, instead of a world where Christians have to be ‘loyal’ to an infidel party.”

— C.S. Lewis, “Meditation on the Third Commandment,” *God in the Dock*, Erdman Publishing, Grand Rapids, 1994

The Indy Star had lost the ability to threaten any but officialdom’s lowliest press secretary.

We welcome the new management of the Indianapolis Star with a collection of “lost” letters to the editor, carefully cited correspondence from the foundation that during the passing regime somehow did not make it from the mailroom to the printed page or blog. Topics include the worsening Statehouse opacity, the Pareto Principle (20 percent of the pea pods/80 percent of the peas), neo-mercantilism, Lugarite boosterism and an anachronistic yet oddly adolescent newsroom culture.

A Change of Guard (for the better?)

(April 10) — The tour of duty of the earring-wearing, socially hip, corporately charmed editor of *the Star* is over. Indications are that his replacement, Jeffry Taylor, understands that it has become easier, not harder, these past few years for government to lie to *the Star’s* readers.

That politicians are liars should not be news to a journalist, of course, but neither is it a banal polemic. It can be statistically demonstrated: A study of 258 government projects found that under-estimates “could not be explained by error and were best explained by strategic misrepresentation — that is, lying.”¹

Examples of how editors once saved readers from such deception abound in the history of American journalism.² Particularly instructive was the hounding from public office of the various city political machines of the late 19th century and early 20th century. Newsrooms of that day, including the one in Indianapolis, not only shot down the lie but also pursued the liar — to ruin, if necessary.

The *Indy Star* of late, though, had lost the ability to threaten any but officialdom’s lowliest press secretary. Here is a string of enduring official lies bought hook, line and sinker during this passing editorial regime:

- Economic-development schemes put forward by Indiana officials at all levels from the governor’s office down to the city council were nothing less than political fraud.

- Tax credits, grants and rebates, state-mandated purchases and eminent domain were all fiscal ruses that worked only to make politicians the arbiters of special favors. No independent economist believed they created jobs or wealth. It was left to Tad DeHaven, a former deputy director of the Indiana Office of Management and Budget, to coin the phrase “press-conference economics” in testimony before a Congressional committee.³

- Even the most self-serving terms of government went unchallenged. The most basic of measures, the balanced budget, bore no resemblance to the commonsense understanding of the term. Our state finances were regularly “corrected” without rousing *the Star’s* suspicion. And the federal budget, even if officially “balanced,” would have put us trillions further in debt.⁴

It would be news to most *Star* readers that their state’s Collective Bargaining Act was a deal gone bad negotiated by a Republican governor. The deal inadvertently left the state legislature and consequently the budget process in the hands of a private teachers union, in effect a new kind of political machine.⁵

Nor is it commonly known among *Star* readers that other states operate without mandatory union representation, and do so in a way that some believe is to the benefit of teachers, students and taxpayers.⁶

The Star newsroom would recoil at the suggestion that the current recession has its roots in liberal philosophy. It was in fact the administration of Lyndon Johnson who, wanting to hide (lie about) the cost

of the Great Society, shifted Fannie Mae housing loans off the federal books. Here is the pollster Scott Rasmussen on this historical point:

For decades, official Washington pretended (lied) that Fannie Mae was a totally private company and the federal government no longer owed the money it guaranteed. Government officials knew of the risks, and many reports were written about the dangers that Fannie Mae posed to taxpayers, but nothing was done, largely because of the aggressive political protection afforded both sides of the partisan aisle.⁷

You would have to be an elderly reader of *the Star* indeed to know that Social Security began with a lie by Franklin Roosevelt, *i.e.*, that it would operate in the same way as private insurance with a payroll tax functioning as a policy premium.

As this lie unraveled, though, the government wove new ones, all accepted by *the Star's* unquestioning and now defunct Washington Bureau. Cato's Michael F. Cannon explains:

If the government knows that there are no assets in the Social Security and Medicare 'trust funds,' and yet projects the interest earned on those non-assets and the date on which those non-assets will be exhausted, then the government is lying. If that's the case, then these annual trustees reports constitute an institutionalized, ritualistic lie. Also ritualistic is the media's uncritical repetition of the lie.⁸

It is not necessary to go into every lie that flew cover for every *Star* writer addressing every continuing policy disaster. The Minimum Wage, the Brady Handgun Violence Prevention Act, the Civil Rights Act of 1964, the Prevailing Wage, the War Powers Resolution and most recently the Patient Protection and Affordable Care Act (Obamacare) are a few where *the Star* had difficulty seeing that results didn't square with rationale. We almost forgot to mention the newspaper's inexplicable complacency about a Green Revolution that would destroy advertisers' bottom lines and inflate readers' utility bills.

It need only be said that as the keys change to the editor's office, *the Star's* sense of duty to sort the lies from the truth is at a critical stage.

One solution can be found in a reconstruction of the historical American newspaper, *i.e.*, a single publisher-owner rather than endless waves of corporate managers (we called them occupiers, in my newsroom). What seems to work best is a personal, even familial, financial, political and continuing stake in the local community.

The bad news is that this will require a keener appreciation by newspaper investors of the nature of private property

and how wealth is created in mass media or anywhere else.

The good news, though, will come whether or not Mr.

Taylor can set a new course for *the Star*. The speed and size of the information explosion, plus the disaster that has been the current newsroom model, ensures

that competing mediums will figure it out soon enough.

The Star's 'Concerned' Citizens

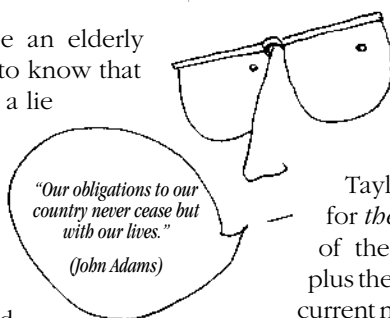
(June 20) — An *Indianapolis Star* columnist serves as our bellwether of softheadedness. We expected, then, the words "concerned, civic-minded citizens" to crop up in her writing. What is surprising, though, is the power she infuses into the term.

Civic-mindedness appears to perform in journalism the same function as the *deus ex machina* in theater — characters and props that the playwright has not been able to place on stage at the critical moment are lowered from on high by a mechanical crane.

This *machina* is used so often that one suspects there is an entry in stylebooks that says, "When the journalist faces an intractable problem that requires some grasp of facts and truth she should solve it instead by calling on concerned, civic-minded citizens."

The Star columnist has proposed a grand strategy of softheadedness: That most — perhaps all — of her city's problems (abandoned housing, public schools, etc.) can be solved by variously tasked groups of concerned, civic-minded citizens. Here she is in full throat for an

As the keys change to the editor's office, the Star's sense of duty to sort the lies from the truth is at a critical stage.



The puzzle is why so many Indiana Republican leaders and corporate executives would choose to placate rather than challenge the institutionalization of envy.

article this week, “Collaboration Key to Solving City’s Problems”:

Not long ago, a group of concerned, civic-minded Indianapolis residents sat in a room and brainstormed. ‘What can we do to make our city better?’ they asked themselves. ‘What are the big problems? What can we do to fix them?’ They threw out ideas. They made lists. They sent out group emails. They came back for follow-up meetings. Did more brainstorming and made more lists. . . . And there are a ton of these groups. A ton.⁹

Members of this foundation do not need to be warned about public-policy solutions that require the assembly of civic-minded, concerned, smart or otherwise gifted people in a room. They may, though, find an expert critique useful.

Dr. T. Norman Van Cott, an economist and adjunct scholar, has taken on the responsibility each year of combating concerned, civic-minded citizenship. He generally does this in a sharply argued destruction of the rationale for the annual “National Day of Doing Good” the last Saturday of October.

His writings pose a disturbing thought: What if *the Star’s* concerned, civic-minded citizens were not primarily concerned or civic-minded? What if they were busy-bodies with too much time on their hands, or know-it-alls seeking ego gratification, or casual thinkers outside their field or over their head who assume the simplistic — or combinations of all these?

And even if there were a truly concerned, civic-minded soul or two in the bunch, could they out-perform, out-solve the systems of incentives that have built Western Civilization — the unsympathetic markets and property exchanges?

Dr. Van Cott says no, and he uses a volunteer civic project, “Make a Difference Day” sponsored by an Indiana utility company, to make his point. The company, like *the Star* columnist, seems most impressed not by Hoosier contributions during their eight-hour days, five-day weeks and 50-week years but rather by what they do outside of work without pay. Here, though, is the Van Cott counter:

“But the truth is that the most important difference-making that Americans ever encounter — hands down, no question — occurs day-in, day-out in the marketplace. It’s not just that (the utility’s electricity) is going to hospitals. Nor is it that it

enriches its customers’ lives in countless other ways. Nor is it that there are many other producers of electricity. It’s that the American marketplace generates prodigious amounts of housing, food, clothing, transportation, energy and education, among other things. Those who produce all these things make huge differences in American lives. It is no overstatement to say this latter difference-making dwarfs anything that occurs on ‘Make a Difference Day.’”

Our problem, then, is not with the impetus to do good — we’re curmudgeons, not cynics. The problem is with a dependence on altruism rather than actual problem-solving, especially the kind that aligns freely chosen incentives.

“What would you say if a tour guide leading you through the Rocky Mountains constantly pointed out roadside ant hills?” asks Dr. Van Cott. “Out of touch? Probably. So it is with those who will exalt events such as ‘Make a Difference Day.’ Surrounded by marketplace difference-making on a scale never before known in human history, they celebrate a Saturday afternoon spent refurbishing park swings, slides and see-saws.”

What a difference a day would be if our journalistic tour guides tried to find real answers and realistic plans for the problems of our time, problems that only grow worse waiting futilely for resolution by that concerned, imaginary, civic-minded citizen.

The Pareto Principle and the GOP

The Pareto Principle — after Italian economist Vilfredo Pareto, observing that 20 percent of the pea pods in his garden contained 80 percent of the peas.

(May 30) — As *the Star* prepares to elect a new governor and perhaps make changes in the Senate and House leadership it would be wise to measure the effect of envy on our democratic process.

As a political or social strategy, formulated either by the envious or by those who want to avoid being its target, envy is utterly corrosive. It permits even the weakest candidate or policy to sound plausible. That is because anybody, once in office, can confiscate and destroy wealth.

To create jobs and wealth, by contrast, a politician will need knowledge and judgment.

Envy is most dangerous when an otherwise reasonable leadership shrinks from challenging it, of taking overdue measures of obvious economic benefit to the community because it fears latent envy or the indignation of those who would lose exception and benefit.

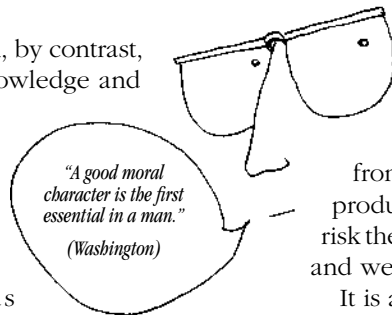
An example? The envy- and guilt-driven secondary-mortgage policies that led to the current recession. Another one, closer to home but more tacit, is a bipartisan economic-development plan headed for Statehouse consideration next session.

It flies under the banner of "Policy Choices for Indiana's Future." It is the pluperfect blue-ribbon panel of experts, the roomful of smart people.¹⁰ The goal? Well, let's call it civically amorphous, a grab bag of "balanced" programs certain to dodge the arrows of envy but accomplish little else:

... to start the discussion among government, nonprofit and private-sector leaders about these topics now (an educated workforce, an environmentally sound energy policy, a balanced tax policy) and to provide policy options for action.¹¹

This initiative, high on the to-do list of the political class, is remarkable only in how carefully it avoids mention of the efficacy of free markets or any criticism of policies that shift power and wealth from the envied to the envious, *i.e.*, public-sector collective bargaining, government pensions and payrolls, Euclidian zoning, progressive taxation, government consolidation.

It is not surprising that Indiana Democrats, their arguments drowning in a recession, would support such economic-development pablum. The puzzle, though, is why so many Republican leaders and corporate executives would choose to placate rather than challenge the institutionalization of envy. The answer, one suspects, is in the political calculations of the ensconced. The lowest 40 percent of the electorate vote for candidates and



policies that will soak the next 40 percent, the middle class, who in turn demand consideration from the top 20 percent, the producers whose willingness to risk their own money creates jobs and wealth for the rest.

It is a bipartisan process, then, two wolves and a sheep voting on what to have for dinner. The economist Gary North elaborates:

The middle class likes to think of itself as productive, but the middle class is productive only insofar as it has been enabled to be productive by the capital, vision, courage and the willingness to bear uncertainty that has been shown by the most-productive 20 percent. This is the Pareto Principle, and there are few cases in life where it is violated over a long period of time.¹²

Gov. Mitch Daniels violated the Pareto Principle early in his first term. If his proposal to increase the income tax on Indiana's top earners had been put in place, we would have fit the profile of those states having the greatest difficulty climbing out of the recession.¹³

Breaking down the politics of envy has profound implications. An Austrian sociologist, Helmut Schoeck, whose work predicted in 1966 the failure of Fannie Mae, considers the ability to manage envy and its outrider, manipulated guilt, the key to western civilization:

The historical achievement of the Christian ethic is to have encouraged and protected, if not to have been actually responsible for the extent of, the exercise of human creative powers through the control of envy.¹⁴

Indeed, the admonishment to "love thy neighbor as thy self" is the perfect guard against envy's destructiveness. And the tablet read, "Thou shall not steal," not, "Thou shall not steal except if OK'd by a bipartisan, blue-ribbon panel of smart people."

Elizabethan Eco-Devo

(May 12) — Earlier this month a newspaper in my Indiana town ran one of those predictably boosterish "we can do it" articles on the local economy. This one, though, was so wrong-headed on such an important subject at such a critical

An economic development plan fit for Queen Elizabeth I: Gather powerful people in a room to leverage other people's money in the interest of a grand vision.

THE OUTSTATER

The Star, once the guardian of the state political discussion went supine, flopped right over on its back for its champion, Dick Lugar.

moment that it requires a challenge.

The news was that economic help was on its way, that the latest in a seemingly inexhaustible string of civic leaders had regrouped to take yet another shot at reviving the downtown.

These men and women, widely respected for their varied skills and achievements, wasted no time rejecting a free-market approach, *i.e.*, allowing the value of downtown property to fall or rise in order to find its best use.

They, as their frustrated predecessors, held a vision for downtown so dear that it could not be left to the market.

This latest effort is organized around a private, nonprofit trust that would guide downtown development using a complex, quasi-official fiscal arrangement giving it leverage in certain property negotiations. The group controlling the trust is described as being “astute, high-powered.”¹⁵

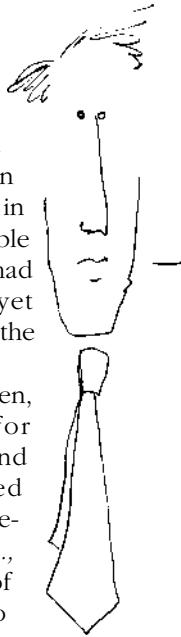
This is a breathtaking idea. All any Indiana city need do to revitalize is to gather powerful people in a room to leverage other people’s money in the interest of a grand vision.

But it’s been tried before — more than four centuries before. It resembles mercantilism, a policy that held sway when Shakespeare was writing and the last Tudor reigned, Queen Elizabeth I by name, a selfless capitalist monarch if there ever was one.

Her Highness, though, would be unfamiliar with Adam Smith’s “The Wealth of Nations,” Friedrich Hayek’s “Fatal Conceit” or any of the writings in the now-classical economic schools that inspired creation of the New World.

She would assume that wealth is created by authority, not by free markets and countless individual experiments, many of them decidedly lacking in astuteness and high-poweredness.

She might feel at home on our downtown trust’s board of directors. A single councilman dared raise objections to



the plan. He wondered whether the group over time might actually become counterproductive, pushing out the less civically correct investments. And he was concerned there would be a disincentive to invest in properties not conforming to the vision and therefore not vetted by

the trust to emerge with a lower price. Moreover, he noted that property could pass from public ownership into the foggy legalism of our neo-mercantilist court. And if city-owned property were sold to the trust below market value, taxpayers could not be protected from the cash loss, not to mention the invitation to corruption.

But let us imagine that all can be resolved by the teams of lawyers, architects, bankers and such taking an immediate and suspiciously keen interest in the project. The idea nonetheless runs counter to how Indiana and our struggling little downtown were built in the first place.

In one of his last letters, Benjamin Franklin suggests that the genius of America is that it’s a country where “a general, happy mediocrity” is meant to prevail.¹⁶ The idea also intrigued a modern historian, Paul Johnson:

It is important for those who wish to understand American history to remember this point about ‘happy mediocrity.’ . . . America is a country specifically created by and for ordinary men and women, where the system of government was deliberately designed to interfere in their lives as little as possible. The fact that we hear so little about the mass of the population is itself a historical point of great importance, because it testified by its eloquent silence to the success of the republican experiment.¹⁷

My downtown’s leadership is not encouraged by silence. They want acclaim, and they will wait for prosperity no longer. They must interfere, then, with lives and property. But don’t worry, they will interfere only so much as the astute and high-powered deem necessary.

The Star Picks **The Wrong Horse**

(May 8) — Dick Lugar wasn’t the only political legend to fall tonight. *The*

Indianapolis Star, once the guardian of the state political discussion went supine, flopped right over on its back.

The newspaper's featured article three days before the election was "Sen. Richard Lugar Issues Urgent Call for Help in Election."

The editors in effect turned over a top web slot to the Lugar campaign team. Here is the opening paragraph by *the Star's* chief political writer:

Sen. Richard Lugar's campaign came down to one word Friday: 'help.' In the political equivalent of an SOS, the Navy veteran urged Hoosiers of any political persuasion who like what he's done in his 36-year career in the Senate to help him stay there. 'Every person in Indiana who wants me to continue, every person wherever they might be at this point, I encourage them to come out,' he said. 'Come out immediately, as fast as you can.'¹⁸

Where was the news in that? Is there such a thing as a politician who doesn't want help in the last days of a campaign from whatever quarter? Do dogs bite men? Is there a journalistic defense?

No, it was an attempt to manipulate the readership, to grease the voter turnout, to improve the chances of *the Star's* favored man — indeed, so blatantly it's difficult to believe it wasn't ordered up. At best, it was Hollywood-style reporting, the endearment of political celebrities to curry future access.

How much was it worth? On the political market, it was priceless. Even if one could buy a front page, the cost per column inch couldn't approach the value of such a last-moment political call to action by as trusted a source as the state's leading newspaper.

A *Roorbach* is the name that early American journalists gave to a false or slanderous story devised against a political opponent too late in the campaign to be answered.

Modern journalists will need to list with it an *IndyStar*, noun, "an expertly focused, highly tactical, election-eve manipulation of voter sentiment disguised as an objective news report."

The New Journalistic Whine

(May 2) — The big bylines in the newsroom are lamenting the changes

in journalism. They say it's becoming a sweatshop. That's progress, I say.

Causing concern is a technique called "aggregation," the high-speed, deadline collection of multiple Internet stories on a single topic. The idea is to give a more-demanding readership the benefit of "trending," *i.e.*, what is likely to happen down the road. There are no big ideas involved, so we hate it.

That, however, is how mass media has served its readership since Johannes Gutenberg. The new aggregation desks look a lot like the old news desks: the Bull Pen in Gay Talese's "The Kingdom and the Power," Jack Webb's newsroom in "Thirty" and even the field of cluttered desks in Alan Pakula's movie set for "All the President's Men" — all stripped, though, of their romanticism.

The late Robert Bartley, defining editor of *the Wall Street Journal* editorial page, taught us that successful information systems throughout history — before they could assume a posture or champion a cause — had to demonstrate objectivity and thereby earn trust. That trust has been squandered in recent years by a journalism driven by mere advocacy.

Certain news organizations are trying to win trust back. Newly trained digital journalists are reading stories on a given subject from different publications, summarizing and rewriting them, providing links and adding a local angle. No secret meetings with the assistant director of the FBI in a Washington parking garage. Boring.

But the old journalism included a large measure of drudgery, performed by desk-bound wretches (some of them sober) building that hard-earned trust paragraph by paragraph under merciless supervision, working with unreasonable deadlines, story counts and standards of accuracy.

Even so, there seems to be even more gloom in the newsroom these days. Here is the ombudsman of *the Washington Post* relating the core complaint:

They (the new journalists) said that they felt as if they were out there alone in digital land, under high pressure to get web hits, with no training, little guidance or mentoring and sparse editing. Guidelines for aggregating stories are

Before the great newspapers could assume a posture or champion a cause, they had to demonstrate objectivity and thereby earn trust. That trust has been squandered in recent years by a journalism driven by mere advocacy.

THE OUTSTATER

Journalism's greatest generation (circa 1920-1950) didn't set out to change the world. Rather, they hoped only for a weekly paycheck and at least the illusion of advancement.

almost nonexistent, they said. And they believe that, even if they do a good job, there is no path forward. Will they one day graduate to a beat, covering a crime scene, a city council or a school board? They didn't know. So some left; others are thinking of quitting.

Perfect, I say, especially when you consider that one out of every two recent college graduates is unemployed or underemployed.

And this new newsroom fits the standard set by a famed publisher, a Hoosier, William Rockhill Nelson, founder of *the Kansas City Star* (1841-1915). He told his editors to hire newsmen who live close to the office (to walk to work) and date waitresses (to gather the news).

Granted, that is Dickensian. Yet, members of journalism's greatest generation (circa 1920-1950) didn't set out to change the world. Rather, they hoped only for a weekly paycheck and at least the illusion of advancement.

All said, it should be clear a couple of decades into the computer revolution that an information system dependent on 20-something social engineers, the marvels of Internet media aside, cannot produce the prescient or even factual journalism to justify advertising rates.

Must we go back to Linotypes, copy spikes and paste pots, young friends ask, can't there be progress?

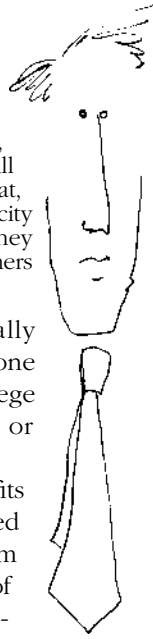
Not if your idea of progress requires suspending the laws of economics and human nature. The skills, organization and personalities of our information systems will change to regain the trust of those subscribers whom advertisers value, be they print or Internet.

That's progress, too.

Resources

1. Bvent Flyvbjerg, Mette Skamris Holm and Soren Buhl. "Underestimating Costs in Public Works Projects: Error or Lie?" *Journal of American Planning*, summer 2002.

2. Marvin Olasky. Central Ideas in the Development of American Journalism: A Narrative History.



"Freedom is almost certain to be destroyed by piecemeal encroachments."
(Friedrich Hayek)

3. Craig Ladwig. "Covering 'Variable Costs' in the Daniels Administration." *The Writers Group*, Oct. 17, 2011.

4. 2010 Financial Report of the United States Government.

5. Charles Freeland.

"Public Education Without Romance." *The Indiana Policy Review*, winter 2001.

6. Andrew Coulson. "The Effects of Teacher unions on American Education." *Cato Journal*, winter 2010.

7. Scott Rasmussen. *The People's Money*. Threshold Editions, New York, N.Y., 2012.

8. Michael F. Cannon. "Sometimes, Governments Lie." *Cato@Liberty.com* (last viewed April 9, 2012).

9. Erika D. Smith. "Collaboration Key to Solving City's Problems." *Indianapolis Star*, June 16, 2012.

10. Jim Arnold and Brandt Hershman. "Agenda for a Stronger Hoosier Economy." *The Fort Wayne Journal Gazette*, May 28, 2012.

11. <http://www.policyinstitute.iu.edu/PolicyChoices/index.aspx> (last viewed May 30, 2012).

12. Gary North. "Conservatives who Hate the Free Market and Hate the Rich Even More." Gary North's blog, <http://www.garynorth.com/public/9558.cfm> (last viewed May 28, 2012).

13. Arthur Laffer and Stephen Moore. "A 50-State Tax Lesson for the President." *The Wall Street Journal*, April 20, 2012.

14. Helmut Schoeck. *Envy: A Theory of Social Behaviour*. Liberty Press, Indianapolis, 1987.

15. Sherry Slater. "Trust Has Plan to Fill Downtown Vacancies." *The Fort Wayne Journal Gazette*, April 29, 2012.

16. Benjamin Franklin. "Information to Those Who Would Remove to America." *Writings*, viii 603ff, 1784.

17. Paul Johnson. *A History of the American People*. Harper-Collins e-books, 2012.

18. Mary Beth Schneider. "Sen. Richard Lugar Issues Urgent Call for Help in Election." *The Indianapolis Star*, May 5, 2012.

THE REALITY CHECK

Q. *Do you favor allowing teachers to negotiate directly with their administration? (Answer: Eighty-five percent of our correspondents say yes.)*

The correspondents didn't have any trouble with the lead question. Only a few had reservations about teachers negotiating with their employers directly as most of us do — on the basis of productivity, experience and skill.

Comments

- *"I am currently applying for a full-time teaching position; I do not intend to join the union."*
- *"Teachers should not have to negotiate with anyone. They are teachers. They chose the profession. If they want to teach, then teach, don't negotiate. If they have to negotiate then they are not worth their salt."*
- *"Regardless of the occupation, if I work hard and have talent, if I am succeeding where others are failing, then why would I want my compensation tied to the performance of my peers? Answer: I would not."*
- *"Each of us has the liberty to say 'yes' or 'no' to an employer's terms of employment."*
- *"In my opinion, unions of teachers, police and firefighters have had far too much influence in Indiana government since the 1950s. Tenure is awful."*
- *"Every person has the right to meet with his employer and discuss working conditions and compensation. It's a basic part of the relationship."*
- *"Why not? Is the implication that our teachers aren't smart enough to read a contract draft and negotiate for themselves?"*

Q. *What percentage of Indiana government workers were affected in 2005 when Gov. Mitch Daniels signed an executive order decertifying public-sector unions? (Answer: Less than 15 percent.)*

It seems that the governor's public-relations machinery has utterly confused the facts of his routine 2005 reversal of Gov. Evan Bayh's executive order. The reversal, a few recalled, affected a limited number

of unions representing a fraction of state employees. Thirty percent of our correspondents got it right.

Comments

- *"Did not know, guessed."*
- *"I really don't know. I do know that only 14 percent of construction labor is unionized."*
- *"This response is a guess; I have no idea."*
- *"I was a member of the Indiana Student Education Association then and what we had under Gov. Bayh wasn't collective bargaining it was 'collective begging' as there was no law requiring the state to abide by the agreement."*

Q. *Collective bargaining for Indiana teachers was passed with Republican majorities on the urging of a Republican governor. (Answer: True.)*

The correspondents smelled this one out. Almost 80 percent found it believable even if they didn't actually know that Gov. Otis Bowen pushed the Indiana Collective Bargaining Law through the 1971 General Assembly. It was the price of his ill-fated property-tax reform.

Comments

- *"I guessed based upon the GOP's propensity to outdo the Dems in sucking up to the unions."*
- *"I have seen Republicans do some really unconservative things — but if true this would have been absurd."*
- *"It is forced collective bargaining that is at the root of the problem."*
- *"Governor (Otis) Bowen sold out on his way to the GOP nomination in order to achieve the support of the Indiana State Teachers Association."*
- *"An example of classic political maneuvering with blinders on — and with ill-founded trust in those proven untrustworthy. Shameful."*
- *"I don't know the correct answer but the liberal-to-moderate wing of the GOP is capable of advocating such bad policies."*

The membership may be all surveyed out. Thirty-two of the 101 correspondents completed the survey for a participation rate of 32 percent.

People who know about opinion surveys don't think much of ours. The sample is inherently biased and so small as to be little more than a focus group. The questions, sometimes confusing, are casually worded and transparently drive at one point or another. That said, we have learned to trust our members and eagerly await their thoughts on this and that.

THE DESTINIES OF THOSE WHO SIGNED

From an essay on the signers of the Declaration of Independence by Rush H. Limbaugh Jr., distributed by the Federalist Magazine

• **Francis Lewis** — A New York delegate saw his home plundered and his estates, in what is now Harlem, completely destroyed by British soldiers. Mrs. Lewis was captured and treated with great brutality. She died from the effects of her abuse. • **William Floyd** — Another New York delegate, he was able to escape with his wife and children across Long Island Sound to Connecticut, where they lived as refugees without income for seven years. When they came home, they found a devastated ruin. • **Phillips Livingstone** — Had all his great holdings in New York confiscated and his family driven out of their home. Livingstone died in 1778 still working in Congress for the cause. • **Louis Morris** — The fourth New York delegate saw all his timber, crops and livestock taken. For seven years he was barred from his home and family. • **John Hart** — From New Jersey, he risked his life to return home to see his dying wife. Hessian soldiers rode after him, and he escaped in the woods. While his wife lay on her deathbed, the soldiers ruined his farm and wrecked his homestead. Hart, 65, slept in caves and woods as he was hunted across the countryside. • **Dr. John Witherspoon** — He was president of the College of New Jersey, later called Princeton. The British occupied the town of Princeton, and billeted troops in the college. They trampled and burned the finest college library in the country. • **Judge Richard Stockton** — Another New Jersey delegate signer, he had rushed back to his estate in an effort to evacuate his wife and children. The family found refuge with friends, but a sympathizer betrayed them. Judge Stockton was pulled from bed in the night and brutally beaten by the arresting soldiers. Thrown into a common jail, he was deliberately starved. • **Robert Morris** — A merchant prince of Philadelphia, delegate and signer, raised arms and provisions which made it possible for Washington to cross the Delaware at Trenton. In the process he lost 150 ships at sea, bleeding his own fortune and credit dry. • **George Clymer** — A Pennsylvania signer, he escaped with his family from their home, but their property was completely destroyed by the British in the Germantown and Brandywine campaigns. • **Dr. Benjamin Rush** — Also from Pennsylvania, he was forced to flee to Maryland. As a heroic surgeon with the army, Rush had several narrow escapes. • **William Ellery** — A Rhode Island delegate, he saw his property and home burned to the ground. • **Edward Rutledge** • **Arthur Middleton** • **Thomas Heyward Jr.** — These three South Carolina signers were taken by the British in the siege of Charleston and carried as prisoners of war to St. Augustine, Fla. • **Thomas Nelson** — A signer of Virginia, he was at the front in command of the Virginia military forces. With British General Charles Cornwallis in Yorktown, fire from 70 heavy American guns began to destroy Yorktown piece by piece. Lord Cornwallis and his staff moved their headquarters into Nelson's palatial home. While American cannonballs were making a shambles of the town, the house of Governor Nelson remained untouched. Nelson turned in rage to the American gunners and asked, "Why do you spare my home?" They replied, "Sir, out of respect to you." Nelson cried, "Give me the cannon." and fired on his magnificent home himself, smashing it to bits. But Nelson's sacrifice was not quite over. He had raised \$2 million for the Revolutionary cause by pledging his own estates. When the loans came due, a newer peacetime Congress refused to honor them, and Nelson's property was forfeited. He was never reimbursed. He died, impoverished, a few years later at the age of 50. • **Abraham Clark** — He gave two sons to the officer corps in the Revolutionary Army. They were captured and sent to the infamous British prison hulk afloat in New York harbor known as the hell ship "Jersey," where 11,000 American captives were to die. The younger Clarks were treated with a special brutality because of their father. One was put in solitary and given no food. With the end almost in sight, with the war almost won, no one could have blamed Abraham Clark for acceding to the British request when they offered him his sons' lives if he would recant and come out for the king and parliament. The utter despair in this man's heart, the anguish in his soul, must reach out to each one of us down through 200 years with his answer: "No."



Emanuel Gottlieb Leutze,
oil on canvas, 1851



Thomas Hoepker, photograph, Sept. 11, 2001

Please Join Us

In these trying times, those states with local governments in command of the broadest range of policy options will be the states that prosper. We owe it to coming generations to make sure that Indiana is one of them. Because the foundation does not employ professional fundraisers, we need your help in these ways:

• **ANNUAL DONATIONS** are fully tax deductible: individuals (\$50) or corporations (\$250) or the amount you consider appropriate to the mission and the immediate tasks ahead. Our mailing address is PO Box 5166, Fort Wayne, IN 46895 (your envelope and stamp are appreciated). You also can join at the website, <http://www.inpolicy.org>, using your credit card or the PayPal system. Be sure to include your e-mail address as the journal and newsletters are delivered in digital format.

• **BEQUESTS** are free of estate tax and can substantially reduce the amount of your assets claimed by the government. You can give future support by including the following words in your will: "I give, devise and bequeath to the Indiana Policy Review Foundation (*insert our address and amount being given here*) to be used to support its mission." A bequest can be a specific dollar amount, a specific piece of property, a percentage of an estate or all or part of the residue of an estate. You also can name the foundation as a contingency beneficiary in the event someone named in your will no longer is living.



"The Battle of Cowpens," painted by William Ranney in 1845, shows an unnamed patriot (far left) firing his pistol and saving the life of Col. William Washington.