

LEGISLATIVE STALEMATES

Why They Happened; What's Next

By Rebecca Patrick

There's no way around it: Three critical, common-sense efforts to address long-term needs for the state inexplicably fell by the wayside in the 2018 General Assembly.

Call it a lack of focus, call it an election-year effect, but it unfortunately was the lead story in the eyes of the Indiana Chamber of Commerce.

BizVoice[®] talked with those closely involved in each of the three policy initiatives – which are goals in the Indiana Chamber's *Indiana Vision 2025* economic development plan – to get their take on what happened and for a 2019 prognosis.

Township reform

"There are just so many units of local government that we can't audit them in a timely fashion and also monitor their expenses. That's why 1,006 townships are far too many. That's what I've always said: It's not effective, and it's a redundancy in government," declares Rep. Cindy Ziemke (R-Batesville).

Through January, things looked quite promising to finally realize meaningful township government reform – which has been sought by the Indiana Chamber for more than 15 years.

But then House Bill 1005, which would have consolidated 300 of the smallest townships, was killed when House leadership directed it not be called down for a floor vote by the deadline.

"A group of self-interested people (at the local levels) was determined to maintain the status quo and protect a flawed township structure. And frankly, rural legislators succumbed to pressure," asserts Bill Waltz, Indiana Chamber vice president of taxation and public finance.

"When it comes down to it, some lawmakers are not fond of the issue at its core, so it didn't take much for them to step back – despite House Speaker Brian Bosma announcing it as a caucus priority to start the session."

Ziemke, the bill author, pointed to the Indiana Farm Bureau coming out "so strongly



The Indiana Chamber's Bill Waltz (right), talking with Senate Tax and Fiscal Policy Committee Chairman Travis Holdman, still believes township reform of some sort can occur next year.

against the bill. The only thing I can think of is they have a lot of farmers who are on (township) boards."

In other words, their members would be the ones most in danger of losing those positions – some of which come with the benefit of paid health insurance.

The Indiana Township Association also switched its position on the legislation from support to neutral when the group's mandated one-cent increase in the tax levy was removed in the House Ways and Means Committee, which Ziemke said was the fiscally responsible thing to do.

Yet make no mistake, Waltz offers, the upcoming election heavily contributed to legislators' hesitation.

Ziemke concurs, "(My colleagues) were like, 'Why are you doing this in an election year?' I said, 'It's ready and I worked on it for a year.' ... And I (ended up having) a primary opponent partially because of it, which is why nobody will do it and take on township reform."

She candidly admits to being so "crushed" by the way things turned out that she almost pulled her name off the primary ballot: "I was so upset with my colleagues and thought why did I even try."

Several months later, however, Ziemke remains dogged in wanting to achieve real progress.

"I don't know if I can do consolidation, unless my caucus (truly) gets behind me ...

but I will continue to try and reform (the system). I'm sure I can pass mandatory training and capital improvement plans. Lack of training is a huge problem; (many of) these people don't know required procedures.

"I talked with (commissioner) Wes Bennett of DLGF (Department of Local Government Finance) and he's really pushing for that. Even if these officials belong to the Township Association, many times they won't get the training – so I want it to be mandatory that they have it. I also want capital improvement plans so they can't sit on all that money," she explains. Both of these pieces were in HB 1005.

Ziemke mentions that former state Sen. Bob Jackman is spearheading a grassroots group in Rush County that is trying to get some of its townships to voluntarily merge in order to help the town of Milroy.

"I'm hoping that if Rush County does this on its own, that it will show some more support for merging. We've been working on this for years."

Despite the bill's disappointing demise, both Waltz and Ziemke can point to the positive results of the effort.

"I believe it generated a renewed awareness of the need for reforms, and a flushing out of the issues involved, both politically and administratively, will serve as a good backdrop for further discussions and future legislation," Waltz states.

Ziemke intends to keep hammering away.

“Hopefully, it will continue to get traction to where more people say, ‘What do these people really do?’ ”

Work share program

“Looking back over my own management career (primarily in manufacturing and distribution), the largest group of our employees literally lived paycheck to paycheck. Suffering a job loss for any of them quite simply is a family catastrophe ... its ramifications to them, our community and society are profound,” declares Mark Gramelspacher, entrepreneur-in-residence at Elevate Ventures and CEO of EverGreen Global Advisors, LLC.

“When that employment relationship is broken – people have to eat – they will move on from their employers.”

This scenario is a nightmare for both sides and is one the Indiana Chamber has been pushing hard to avoid for over five years. Yet during that time, no work share legislation has received a committee vote and only one hearing took place (in 2016).

A work share program would allow employers to maintain a skilled stable workforce during temporary economic downturns. For the employees, that means their employment relationship is kept intact with benefits usually remaining in place. Unemployment compensation would partially compensate workers for their lost hours, with the goal being for them to return to full-time status once economic conditions improve.

This summer, the Indiana Chamber will again hold talks with the Department of Workforce Development (DWD) to try and determine if there is reason for any optimism next session.

“We aren’t giving up, but the appetite to adopt a work share policy hasn’t been there for DWD, which, in turn, influenced then-Gov. Pence and now Gov. Holcomb from taking a stand,” surmises Mike Ripley, Indiana Chamber vice president of health care and employment law.

One possible ally could turn out to be new DWD Commissioner Fred Payne, who came on board right before the 2018 legislative session. He previously worked for years at the Honda plant in Greensburg.

“Manufacturers are prime examples of companies who have invested in training, if not continued education, for their workers and don’t want to lose them in a downturn and have to start the cycle all over again,” Ripley explains.

He also makes an observation on the unusual trend surrounding the work share effort.

“Generally, you may have to work an issue for several years at the Statehouse, if not longer, but you can clearly sense – if not actually see – that you are making progress. But with work share, as the years go by and we continue to be fortunate enough to not have an economic nosedive, it gets more dismissed. In other words, there isn’t an



The fate of the work share policy continues to rest with the Department of Workforce Development, now led by Fred Payne (left).

emergency – yet.”

That’s a dangerous approach, Ripley contends.

“What we fear is going to happen is that only when Indiana is in the throes of an economic downturn will state government and lawmakers want to move on work share.

“And at that point, it’s too late. When layoffs are already rampant, it won’t have nearly the positive impact it would have if the policy was in place prior to that.”

Gramelspacher agrees. “Separation of employment can be a forever thing, even when a recovery may be just around the corner. Some businesses (and similarly the affected employees) never do fully recover in terms of workforce and instead stay ‘shrunk’ or not quite as good as they were before the recession began. For a business, that just gives competitors – in other states and other countries – the next winning move.”

He concludes. “In my opinion, there is not a single other program that can do as much good for employees, especially vulnerable families working at or near poverty, and employers. It provides another new tool for employers to keep their most strategically valuable long-term competitive advantage, their people.”

Decreasing the smoking rate

Indiana takes pride in having a strong business climate, consistently placing in the top 10 nationally and being the best in the Midwest. However, the health of Hoosiers is holding the state back from achieving even more, says Indiana Chamber President and CEO Kevin Brinegar.

“Smokers cost Hoosier employers over \$6 billion per year in additional health care costs, absenteeism and lost productivity. What’s more, the state pays far more in health care costs associated with smoking than with the opioid crisis, which has garnered much attention and thankfully, positive legislative action,” Brinegar asserts.

“But smoking is that monumental of a problem and something needs to be done – not only for the employer side but for those who suffer the health consequences due to their addiction.”

The Alliance for a Healthier Indiana, of which the Indiana Chamber is a founding member, is committed to seeing improvements in the state’s low national rankings: 41st worst in terms of smoking and 38th worst in overall health. There were two legislative measures in 2018 that carried efforts to try and make that happen.

House Bill 1380, authored by Rep. Charlie Brown (D-Gary),

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Notable Victories

While much more could have been done, these key Indiana Chamber-backed policies crossed the finish line in the 2018 Legislature:

- Beginning to address the workforce development needs by focusing on implementing a more employer-driven system
- Enhancing a growing software-as-a-service industry by exempting such transactions from sales taxes
- Incorporating computer science training/courses into all K-12 public schools
- Continuing to make progress on developing a water resources plan

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would have raised the legal age for smoking and purchasing cigarettes from 18 to 21. Senator Liz Brown (R-Fort Wayne) authored SB 23, the repeal of the special protections for smokers during the hiring process (which prohibits businesses from asking prospective employees whether or not they smoke).

Both bills were stopped early on, in the committee process – the latter never even had a hearing. The former cleared its initial committee only to have “House leadership suddenly voice concern about a possible tax revenue loss (due to the increase in legal smoking age) and send it to Ways and Means on the deadline day, making it impossible to pass,” Brinegar laments.

The Indiana Chamber believes that if HB 1380 had been allowed to make it to the floor for a vote, it would have prevailed.

“From our perspective, it was obvious some legislators did not want to go on record casting a vote. Maybe it’s the election year, maybe it’s because they bristle at the policy. But we’ve long since determined the legal age for another addictive substance, alcohol, is 21. Putting smoking in the same category is a logical step, and one that we heard in committee testimony is also supported by the military for their young personnel.”

The Alliance for a Healthier Indiana is traveling across the state through October with the State of Our Health Road Show. The objective: to educate the public and lawmakers, grow grassroots engagement, increase local support, raise awareness of Indiana’s poor



Indiana Chamber President Kevin Brinegar, speaking at the 2016 kickoff for the Alliance for a Healthier Indiana, says any lost revenue from increasing the legal smoking age would be more than offset by a decrease in what the state pays in Medicaid coverage for smoking-related illnesses.

health rankings and share ideas about ways to work together to improve Hoosier health.

Building significant grassroots support for Alliance priorities, like the smoking reforms, will be an important step for moving forward at the Statehouse, Brinegar believes.

So perhaps a big win on smoking is not that far off?

“We do feel like we are getting closer, which makes us and the Alliance all that more determined to keep the pressure on this summer and keep up the good fight in the 2019 session.”

RESOURCES: Indiana Chamber at www.indianachamber.com | Rep. Cindy Ziemke at h55@iga.in.gov | Mark Gramelspacher at mark@growwithhega.com