



Torchbearer Policy Update

By Caryl Auslander • Feb 06, 2023

Smart Brevity® count: 11 mins...2925 words

Welcome back! We hope you enjoyed your weekend. Thank you for allowing us to be your trusted source for news at the local, state, and federal levels.

Local, state, and federal highlights in this week's memo include:

- **America's Mind-Blowing Labor Market**
- **Victoria Spartz Won't Seek Office After Term Ends**
- **Ten States Mull Cross-Border Rules to Tackle Teacher Shortage**
- **Young, Murphy Reintroduce Bill to Limit Non-Compete Agreements**
- **Indiana Supreme Court Won't Fast Track Abortion Case**
- **End of the Federal Public Health Emergency Prompts Confusion for Recipients and Providers**
- **Indiana Gets the Nod to Proceed with Federal Hydrogen Hub Proposal**
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Let's dive in.

America's mind-blowing labor market



Jobs reports simply don't get any better than the [one we received this morning](#).

- **No caveats needed:** This is a rip-roaring labor market, in stark defiance of months of recession chatter — and the Federal Reserve's efforts to slow things down.

Why it matters: American workers — outside of a handful of sectors — are experiencing some of the most plentiful opportunities in generations — even as inflation has been coming down.

- That is a precarious balance (more on how the Fed might react below), but it is a remarkable state of affairs. The [jobless recoveries](#) of the early 2000s now look like ancient history.

The details: Economists expected jobs growth to decelerate, but instead it surged ahead, with an addition of more than half a million jobs (517,000) in January.

- The unemployment rate hit an ultra-low 3.4%. To find a water mark lower than that, you'd have to go all the way back to 1953.

State of play: The blowout job gains may be exaggerated by seasonal adjustments or other statistical quirks. But even if they are ultimately revised lower, a consistent message is being sent by labor data across the board with ultra-low jobless claims and rising numbers of job openings.

- The hiring slowdown that was supposed to come alongside the Fed's aggressive tightening has not materialized. It sets up something of a conundrum for officials.
- "It's difficult to see how wage pressures can possibly soften sufficiently when jobs growth is as strong as this," Seema Shah, chief global strategist at Principal Global Investors, wrote in a note.
- "It's even more difficult to see the Fed stop raising rates and entertain ideas of rate cuts when there is such explosive economic news coming in."

Yes, but: For now, wage pressures appear to be flat or diminishing, contrary to what economic theory would predict in a booming job market. Rock-bottom unemployment paired with decelerating inflation is an economic dream scenario.

- Average hourly earnings rose 0.3% in January, slowing slightly from December's upwardly revised 0.4% pace. Over the year through January, hourly earnings are up 4.4%.
- Over the last three months, wages rose at a 4.6% annual rate — on the high side of what the Fed would consider consistent with achieving its 2% inflation target, but not accelerating.

The intrigue: January is a notoriously difficult month to interpret jobs data, with annual adjustments made by the Labor Department — some of which are done to account for seasonal patterns.

- "We got a lot of these gains because employers kept on seasonal workers they would typically lay off," says Diane Swonk, chief economist at KPMG U.S. "This is a lot of labor hoarding, everywhere from leisure and hospitality to retail to construction." ([Axios](#))

Victoria Spartz Won't Seek Office After Term Ends



Breaking: U.S. Rep. Victoria Spartz announced Friday that she won't seek reelection to the House of Representatives or Indiana's open Senate seat in 2024 — or any other seat for that matter.

The details: Spartz, a Republican from Noblesville representing Indiana's 5th Congressional District, had been considering a run at the Senate seat that Mike Braun will vacate to run for governor next year. Spartz' Indiana colleague in the House, U.S. Rep. Jim Banks, [announced his candidacy for the Senate seat](#) several weeks ago.

Earlier this week, Spartz said in a statement to IndyStar that she hadn't decided her next move yet. On Friday, her campaign office released a statement saying that Spartz would not seek an elected office once her 2-year current term expires after 2024.

Behind the scenes: Spartz and her husband Jason Spartz live in Noblesville with their two daughters. She immigrated from Ukraine in 2000.

Senate watch: Spartz was one of the last major contenders thought to be interested in challenging Banks for the seat. On Tuesday, former Gov. Mitch Daniels announced that [he wouldn't run for it](#). With Daniels out of the way, support seems to be coalescing behind Banks. He's backed by the National Republican Senatorial Committee and Club for Growth, a conservative advocacy group that also endorsed him during his 2016 run for Congress. ([Indy Star](#))

Ten States Mull Cross-Border Rules to Tackle Teacher Shortage



What's new: Every Colorado school district, like many across the country, began 2023 understaffed. That's caused classes to be crammed together, school bus routes to shrink, Spanish language courses to get cut from curriculums, and field trips to be nixed.

This has prompted lawmakers in Colorado and other states to suggest legislation that would get rid of relicensing requirements for teachers when they move across state lines—an oftentimes cumbersome and costly process of waiting periods, licensing fees, and expensive exams.

So what: The idea for an Interstate Teacher Mobility Compact was first proposed by the U.S. Department of Defense and is designed, in part, to support military spouses. *It would effectively allow teaching licenses to be viable across members of the compact, cutting through the current 50-state patchwork of disparate requirements.*

Who's in: In addition to Colorado, **Indiana**, Georgia, Hawaii, Kansas, Mississippi, Ohio, Oklahoma, Nebraska and Washington are considering joining the compact. For the compact to take effect, all 10 states must approve it.

- In Indiana, a House bill that calls for the state to join the pact has been introduced by Democratic Rep. Sue Errington and referred to the Committee on Education.

The bottom line: The national teacher shortage, exacerbated by deep losses during the pandemic, has left states scrambling to hire and retain educators. It's pushed school districts across the South to accept candidates without teaching certificates or formal training to staunch the losses. ([Indianapolis Business Journal](#))

Young, Murphy Reintroduce Bill to Limit Non-Compete Agreements



What's new: U.S. Senators Todd Young and Chris Murphy reintroduced the [Workforce Mobility Act](#) on Wednesday, which is bipartisan legislation to limit the use of non-compete agreements that impact American workers.

Dig deeper: A news release says almost 30 million people are constrained by a non-compete agreement, which blocks workers from leaving their jobs for a competing employer or starting a competing business. Officials say research indicates that workers trapped by non-competes have lower wages, and their restricted mobility makes it more difficult for businesses to recruit talent. The news release says in states

where non-competes are enforced, young firms are more likely to die in their first three years compared to states where they are not enforced.

What they're saying: Senator Todd Young said, “Non-compete agreements stifle wage growth, career advancement, innovation, business creation, and human freedom. Our bill aims to remove these barriers and create opportunities that help, not hinder, Hoosier workers. The reforms in our legislation will assist workers and entrepreneurs so they can freely apply their talents where their skills are in greatest demand.”

The details: Officials say the Workforce Mobility Act would:

- Narrow the use of non-compete agreements to include only necessary instances of a dissolution of a partnership or the sale of a business;
- Require employers to make their employees aware of the limitation on non-competes, as studies have found that non-competes are often used even when they are illegal or unenforceable. The Department of Labor would also be given the authority to make the public aware of the limitation; and
- Require the Federal Trade Commission and the Department of Labor to submit a report to Congress on any enforcement actions taken. ([Tristate](#))

Indiana Supreme Court Won't Fast Track Abortion Case



What's new: The Indiana Supreme Court has declined to take a second case involving Indiana's near-total abortion ban — sending the matter through the usual lower court process instead.

Attorney General Todd Rokita had asked to bypass the Indiana Court of Appeals after a Marion Superior Court judge granted a second preliminary injunction against the ban, this one based on a [controversial religious freedom law](#).

The backstory: Under Indiana's Religious Freedom Restoration Act, government can only "substantially burden" exercise of religion if it advances a "compelling" government interest in the least restrictive way possible.

Dig deeper: The class action lawsuit argues that the new abortion law violates RFRA. The plaintiffs include practitioners of Judaism, Islam, Unitarian Universalism, Episcopalianism and paganism — all belief systems that allow abortions under circumstances outside the ban's narrow exceptions.

Yes, but: The state, meanwhile, has argued that its compelling interest in this case is "protecting the unborn." This is the second case involving the ban. Earlier this month, the five Supreme Court justices heard a

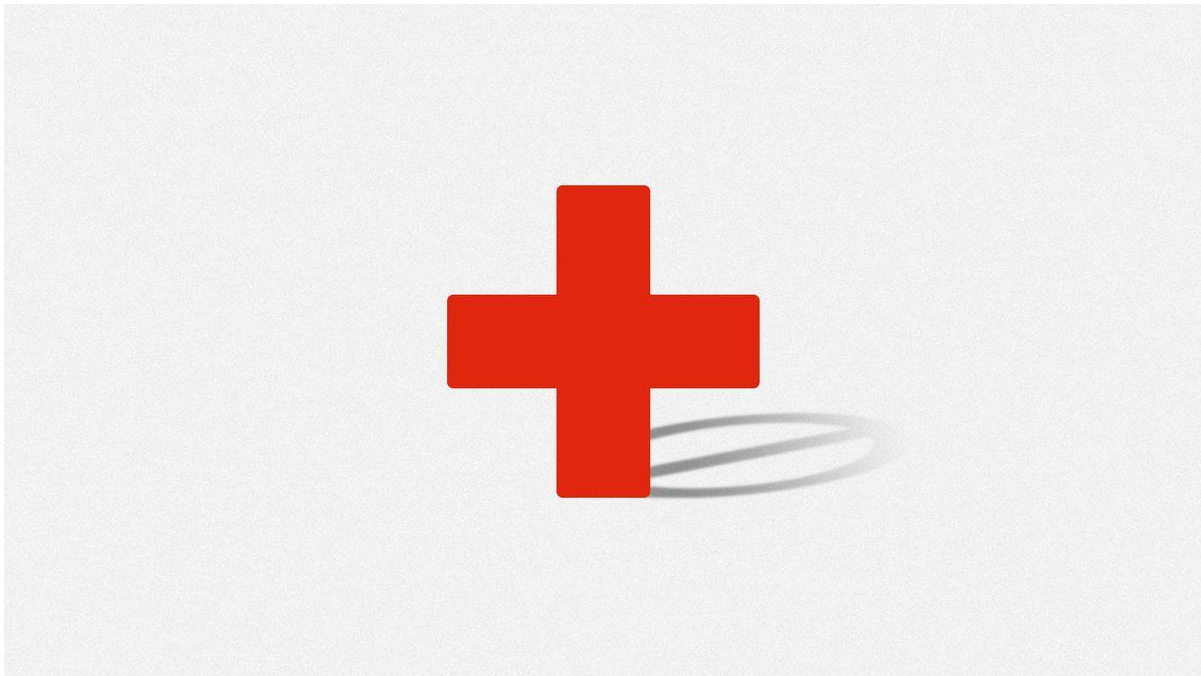
case against the ban based on liberty and privacy rights. They have not issued a ruling.

The new abortion ban was in effect for just a week in September before a Republican judge in Owen County issued a first temporary injunction in a separate ACLU lawsuit, which challenges the constitutionality of the law based on liberty and privacy protections. The decision put the ban [on hold](#) while Indiana Supreme Court justices weigh the case. Under that injunction, the state's previous abortion law stands — [allowing abortions up to 20 weeks](#).

Special session: The Republican-dominated Indiana General Assembly advanced the abortion-restricting [measure](#) during a heated, two-week special session that concluded in August. That made Indiana the first state in the nation to approve such legislation since the high court ruling that overturned Roe v. Wade.

The details: The [ban outlaws all abortions](#) except in the case of a fatal fetal anomaly and cases of serious health risk to the mother. One part of the law says these exceptions are up to 20 weeks but another part says they can be used anytime. Rape survivors can get an abortion up to 10 weeks post-fertilization. It also strips abortion clinics of their state medical licenses, and provides that only hospitals and hospital-owned ambulatory surgical centers can provide abortions. ([Indiana Capital Chronicle](#))

End of the Federal Public Health Emergency Prompts Confusion for Recipients and Providers



What's new: With the end of the federal public health emergency, some Medicaid recipients may no longer be eligible for continued coverage. During this emergency, some Medicaid programs, including traditional Medicaid, the Children's Health Insurance Program and the Healthy Indiana Plan, had a hold on traditional rules that required updated paperwork and documentation to remain eligible for coverage.

Dig deeper: Mark Fairchild is the director of policy and communication at Covering Kids and Family of Indiana. In an earlier interview, he explained without a need for updated documentation, individuals with changes to their income or address have been able to remain on Medicaid programs when they may not have traditionally been able to.

What they're saying: "Since they're not doing those rechecks, people that got on the program during the public health emergency basically been able to stay on unless they did something like move out of state or had another dramatic change to make them ineligible for a program in the state of Indiana," he said.

Yes, but: A [federal spending bill](#) passed by legislators late last year uncoupled Medicaid coverage protections from the federal public health emergency. Beginning March 31, 2023, traditional eligibility rules will resume as continued coverage ends. As Medicaid recipients navigate

different coverage options, some recipients and providers are facing confusion.

Fairchild said a big issue during this time is the different insurers involved in these Medicaid plans, which can make information confusing for healthcare providers. Additionally, this confusion can cause consumers to assume their health coverage does not work in places where it may actually be eligible.

“If you can't use your health care coverage, whether it be Medicaid or Healthy Indiana Plan or a private option, then you can't be getting preventative care,” he said. “You can't be taking good care of yourself, you can't get the help when you need it.”

He said Hoosiers may have trouble explaining the specific carrier of their insurance or the vision, dental and chiropractic subcontractors these carriers may use.

For example: If a consumer has their Medicaid plan through Anthem, they may have their vision benefit subcontracted through an agency such as Superior Vision. Certain providers may only take Anthem's vision benefits when they are coupled with this specific subcontractor. However, consumers may not be aware of their subcontractors, and healthcare providers may not be educated on which insurance carriers and subcontractors they work with. Fairchild says this can further the confusion for consumers.

“They might just assume that their coverage isn't any good anywhere, which means they go without that benefit,” he said. “And they go without learning what their health coverage can do for them.”

The fix: To mitigate these issues, Fairchild said one option may be increased consumer education. “Maybe it is by just having some more fact sheets going out to the providers, so they know how to talk to a consumer,” he said.

Yes, but: However, he said consumers often already receive enough paperwork from provider companies. Fairchild said other creative options may work better. “Insurance companies themselves, hospitals, an interesting element would be even considering it in schools,” he said.

In terms of maintaining coverage, Fairchild says individuals who will lose their continued coverage soon should look into other coverage

options and keep their information current. “The thing everybody can do now is to make sure their contact information is completely up to date with the state,” he said.

The bottom line: He said consumers should also look for mail from the Family and Social Services Administration or their insurance company to keep updated. ([WFYI](#))

Indiana Gets the Nod to Proceed with Federal Hydrogen Hub Proposal



What's new: U.S. Department of Energy officials are encouraging an Indiana coalition to proceed with its effort to secure a portion of \$7 billion in federal funding to establish a hydrogen hub.

The details: The Indiana coalition is one of 33 groups around the United States that the DOE has encouraged to move forward in its Regional Clean Hydrogen Hubs, or H2Hubs, program. The program aims to award \$7 billion to fund six to 10 hydrogen hub projects focused

on the production, processing, delivery, storage and end use of clean hydrogen, with the goal of boosting the nation's hydrogen economy.

The DOE selected the 33 from a total of 79 applicants who submitted initial proposals last fall. The DOE has not publicly identified any of the applicants. Full applications are due April 7, and the DOE expects to make its funding decisions by fall.

H2Hubs funding comes from the \$1.2 trillion Infrastructure Investment and Jobs Act that passed in late 2021.

Why it matters: The Indiana coalition is evaluating its next step in the process before filing its next application. Paul Mitchell, CEO of the not-for-profit Energy Systems Network, said Indiana's coalition is in discussions with two other green-lit H2Hub applicants in the Midwest about possibly joining forces to submit a combined application.

Who is involved: Indianapolis-based ESN, which promotes advanced energy development through collaboration, is part of the Indiana coalition, as are the Indiana Economic Development Corp., Columbus-based Cummins Inc., Purdue University, London-based BP plc and others.

What they're saying: "Our early conversations with these other hubs have all been positive, in that we all understand that it's critical that the Midwest receive one of these hubs," Mitchell said.

The DOE has explicitly stated that, to the extent possible, it wants each hydrogen hub to be in a different region of the country.

And more: Indiana's proposal [focuses on northwestern Indiana](#), which has natural underground caverns that could be used to store captured carbon dioxide—a byproduct when hydrogen is produced using fossil fuels. That part of the state also has a concentration of heavy industry and transportation activity that could be potential users of hydrogen fuel, Mitchell said.

Yes, but: The H2Hubs program is focused on clean hydrogen, which refers to how the hydrogen is produced. It can include hydrogen produced using renewable-energy sources such as nuclear or biomass. It can also include hydrogen produced with fossil fuels if the resulting carbon emissions are captured and sequestered. ([Indianapolis Business Journal](#))

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Important Dates:



Tuesday, February 21st - House Committee Report Deadline

Thursday, February 23rd - Senate Committee Report Deadline

Thursday, February 23rd - House 2nd Reading Deadline

Monday, February 27th - Senate 2nd Reading Deadline

Monday, February 27th - House 3rd Reading Deadline

Tuesday, February 28th - Senate 3rd Reading Deadline

Tuesday, April 11th - House Committee Report Deadline

Thursday, April 13th - Senate Committee Report Deadline

Thursday, April 13th - House 2nd Reading Deadline

Monday, April 17th - Senate 2nd Reading Deadline

Monday, April 17th - House 3rd Reading Deadline

Tuesday, April 18th - Senate 3rd Reading Deadline

Thursday, April 27th - Anticipated Sine Die

[Senate Session Calendar](#)

[House Session Calendar](#)