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RH RESOURCES

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Week in Review

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As a service to the clients and friends of Governmental Policy Group, Inc. and RH Resources we would like to extend the following weekly update of events happening around Capitol Square.

AGING

The Ohio Department of Commerce's (DOC) Division of Securities is urging Ohioans to protect seniors from so-called "affinity" fraud in recognition of May as Older Americans Month. The division notes that, across the country, older Americans are being encouraged to take part in activities promoting wellness and social interaction. "While it's true remaining socially engaged can improve the quality of life for older adults, at the same time, scammers will steal seniors' money through affinity fraud, which exploits relationships built through common interests and activities," DOC says.

FY18-19 BUDGET

The end of the tax filing season saw Ohio income taxes bring in almost \$100 million more than forecast, and preliminary April figures also show stronger sales tax collection as well, the Office of Budget and Management (OBM) said Friday. Tax receipts for April were \$2.05 billion, \$130.8 million or 6.8 percent ahead of the expected revenue of \$1.92 billion.

BUSINESS/CORPORATE

The state business environment reflects "positive economic growth and high optimism," a recent survey by the Ohio Chamber of Commerce found, but business leaders were significantly concerned about the political environment. The chamber said Monday that it was the first time the state's political environment was a "top concern" and nowhere was that felt more than in Central Ohio. While the cost of health care was the number one concern for all regions, Central Ohio was the only one to name politics number two.

CHILDREN/FAMILIES

Two lawmakers on the Joint Medicaid Oversight Committee asked the Kasich administration to reconsider plans to end a Medicaid waiver that funds the Positive Education Program Connections (PEP), a Cuyahoga County initiative for youths with intensive mental health needs. According to a letter written by Sen. Dave Burke (R-Marysville) and Rep. Nickie Antonio (D-Lakewood), PEP serves hundreds of students and helps keep families together and divert youth from extensive, out-of-home placements like psychiatric hospitals and youth corrections centers.

EDUCATION

Auditor Dave Yost's office is filing subpoenas to obtain data from Electronic Classroom of Tomorrow (ECOT) computers and servers before they're sold at auction, but a Franklin County judge said the resulting information will be put under protective order to await arguments on whether any of it is privileged or protected. How much evidence is available on those computers is moot, however, as one attorney said Friday they've largely been wiped of data.

On Tuesday, Columbus City Attorney Zach Klein Tuesday filed a motion to intervene in the upcoming auction of computers previously owned by the Electronic Classroom of Tomorrow (ECOT). Klein said that his office remains concerned that data could be contained on computers that could be pertinent to potential investigations of criminal activity at the Columbus-based online charter school.

Ohio school districts saw a large majority of funding issues on the Tuesday ballot pass, though the success rate was slightly lower than in the last primary election. Voters approved 63 of 92 issues, a 68 percent rate of passage, compared to 73 percent passage for issues on the May 2017 primary ballot, according to preliminary results compiled by the Ohio School Boards Association (OSBA). Precisely half of new levies -- 23 of 46 -- were approved by voters. For renewals, the passage rate was 87 percent, with 40 of 46 garnering approval.

In announcing the observation of Teacher Appreciation Week May 7-11, the Ohio Department of Education (ODE) urged folks to "thank Ohio's remarkable educators by sharing a story of a teacher or teacher team" using #OhioLovesTeachers on Twitter and Instagram.

Lawmakers should consider new rules for funding, enrollment and oversight of online charter schools, a Fordham Institute official wrote Monday, citing the Electronic Classroom of Tomorrow (ECOT) saga.

Auditor of State Dave Yost announced on Thursday that he's made referrals to law enforcement agencies for possible criminal prosecution following the release of his office's annual audit of the Electronic Classroom of Tomorrow (ECOT). It showed the online charter school willfully misrepresented student attendance and engagement hours and misspent public funds on political television ads targeting the Ohio Department of Education (ODE) and state officials, said Yost.

ELECTIONS 2018

Having wrapped up the Republican gubernatorial nomination in a bruising fight with Lt. Gov. Mary Taylor, Attorney General Mike DeWine Tuesday invited voters from all over the state and all parties to join with him to take Ohio into the future. "Tonight our journey begins," DeWine said at an event in Columbus. DeWine easily outpaced Taylor in early voting returns and continued to hold a lead throughout the night. In unofficial returns, DeWine won the race with nearly 60 percent of the vote to Taylor's 40 percent.

Ohio voters casting Democratic ballots selected Richard Cordray to become the party's gubernatorial candidate on Tuesday. The former Ohio attorney general and U.S. Consumer Financial Protection Bureau (CFPB) director emerged with 62 percent of the vote according to the unofficial tally. He was followed by former U.S. Rep. Dennis Kucinich, who garnered nearly 23 percent. Sen. Joe Schiavoni (D-Boardman) finished with 9 percent, while former Ohio Supreme Court Justice Bill O'Neill received around 3 percent of the vote. Lesser-known candidates Larry Ealy and Paul Ray received about 1 percent each.

In the only other statewide office primary on the Republican side, Rep. Robert Sprague avoided an upset by former Ashtabula County Auditor Sandra O'Brien, taking 57.5 percent of the vote to O'Brien's 42.5 percent in unofficial results.

U.S. Rep. Jim Renacci (R-Wadsworth) captured the GOP nomination for U.S. Senate in Tuesday's election, setting him up to challenge U.S. Sen. Sherrod Brown (D-OH), who is seeking a third term. Renacci pulled off the primary victory with about 47 percent of the vote after deciding earlier this year to abandon original plans for a gubernatorial race and switch to the Senate race following the withdrawal of Treasurer Josh Mandel, who bowed out because of his wife's health.

Rep. Wes Retherford (R-Hamilton) lost his re-election bid to philanthropist Sara Carruthers in a three-way primary that also included former Rep. Greg Jolivet. Carruthers had said she was neutral in the speaker's race. Jolivet, a former Hamilton mayor and Butler County commissioner, had previously lost to Retherford in 2014. Rep. In addition, Riordan McClain (R-Upper Sandusky), appointed earlier this year to replace former Rep. Wes Goodman, has a slim lead over former Rep. Steve Reinhard in the 87th House District Republican primary. That race will be decided by absentee ballots.

In the battle for House speaker, Rep. Larry Householder (R-Glenford) easily won his primary over upstart challenger Kevin Black, and candidates backed by the former speaker outperformed candidates backed by Rep. Ryan Smith (R-Bidwell) and the Ohio House Republican Organizational Committee (OHROC) in most matchups. In 11 races, the candidate backed by Householder won, while an OHROC candidate won in one, and another was separated by just eight votes.

Senate Minority Leader Kenny Yuko (D-Richmond Heights) fended off a challenge from term-limited Rep. John Barnes (D-Cleveland) for the 25th Senate District in Tuesday's primary election,

as did four other incumbents. Yuko won about 59 percent of the vote. Sen. Sandra Williams (D-Cleveland) held on to the nomination for her 21st District seat in a four-person race, defeating term-limited Rep. Bill Patmon (D-Cleveland), former Cleveland City Council member Jeff Johnson and candidate Willie Lewis Britt, an electrician. Williams got 59 percent of the vote. Sen. Cecil Thomas (D-Cincinnati) also won over former Rep. Dale Mallory on a 74-26 vote. In open-seat contests, Reps. Nickie Antonio (D-Lakewood), Andrew Brenner (R-Powell), Hearcel Craig (D-Columbus), Teresa Fedor (D-Toledo) and Nathan Manning (R-North Ridgeville) won nominations in their bids to move to the upper chamber.

More Ohioans voted early in the 2018 primary election than in 2014, the last statewide election, according to the final tally released on Monday by Secretary of State Jon Husted. A total of 300,765 absentee ballots were requested by 2 p.m. on Monday, and 260,443 were cast. At the same point during absentee voting in 2014, nearly 254,000 absentee ballots had been requested and 202,000 ballots were cast. According to Husted, 205,419 of the 300,765 requested absentee ballots were requested by mail, and 95,346 were requested in person. Of the 260,443 ballots cast, 165,097 were cast by mail.

A day after the statewide ticket was set with Richard Cordray's win in the only Democratic statewide primary Tuesday, Democratic candidates held a joint press conference and looked to set a message similar to one portraying a culture of corruption in Columbus that they used during a Democratic surge in 2006 when Gov. Ted Strickland was elected governor and Democrats won three of the four other statewide offices.

Gubernatorial candidate Sen. Joe Schiavoni (D-Boardman) and his lieutenant governor running mate, State Board of Education Member Stephanie Dodd, announced on Friday the proposed creation of a new cabinet-level position and related state department on diversity and inclusion, which they would implement if elected. This new Office of Diversity and Inclusion "will work to promote fair hiring practices and employment outreach to ensure Ohio's state government and workforce are more reflective of the state's population in terms of gender, race, ethnicity, sexual orientation and gender identity, and physical ability."

Results from Tuesday's election showed all three behavioral health levies on the ballot passed, two of five children services levies passed, four developmental disabilities levies passed and four senior services levies passed.

Former Rep. Matt Lynch won his Republican primary for the 11th District Court of Appeals during Tuesday's primary, unseating Judge Colleen O'Toole.

The following endorsements were made over the week:

- Planned Parenthood Action Fund endorsed Sherrod Brown for U.S. Senate.
- We Are Ohio endorsed state Issue 1.
- The state treasurer campaign of Democrat Rob Richardson announced the endorsements of U.S. Sens. Cory Booker (D-NJ) and Kamala Harris (D-CA).
- Planned Parenthood Advocates of Ohio endorsed Richard Cordray and Betty Sutton for governor and lieutenant governor, respectively; Steve Dettelbach for attorney general; Zack Space for auditor; Kathleen Clyde for secretary of state; and Rob Richardson for state treasurer.
- Former U.S. Rep. Gabrielle Giffords (D-AZ) endorsed Aftab Pureval for Ohio's 1st Congressional District.

EMPLOYMENT/UNEMPLOYMENT

The U.S. Bureau of Labor Statistics Friday reported that, in April, the national unemployment rate edged down to 3.9 percent, following six months at 4.1 percent. The number of unemployed persons, at 6.3 million, also edged down over the month.

State Sen. Bill Beagle (R-Tipp City) encouraged Ohioans to participate in events during the inaugural "In-Demand Jobs Week," May 7-11, 2018, a statewide recognition of jobs, industries and skills that are in-demand in Ohio. Beagle was sponsor, along with Sen. Troy Balderson (R-Zanesville), of SB3 which designates the week.

FEDERAL

U.S. Sen. Rob Portman (R-OH) Tuesday supported President Trump's decision to withdraw the United States from the Iran nuclear deal, and also outlined the current state of federal legislation designed to address the nation's persistent opioid crisis. In a conference call with reporters, Portman said he was encouraged during a recent speaking tour across Ohio to hear from drug use prevention groups that federal funding from the Comprehensive Addiction and Recovery Act (CARA) and the 21st Century Cures Act (Cures Act) has assisted in the fight against opioid addiction.

U.S. Sen. Sherrod Brown (D-OH) had strong words for President Donald Trump's cabinet picks, naming them "the worst presidential cabinet we've ever seen," while expressing confidence in his chances of winning November's general election against U.S. Rep. Jim Renacci (R-OH), saying he was not worried about facing off against Renacci's financial prowess. When a reporter asked Brown about his frequent votes against Trump cabinet nominees during a conference call Wednesday, the senator said the nominees he has voted against were "ethically challenged or unqualified," and he likened the current cabinet composition to "a den of billionaires and wannabe billionaires."

GAMING/GAMBLING

Ohio's casino and racino revenues were back down in April after record revenues in March, but were consistent with statewide revenues in 2017, according to figures released Monday.

GENERAL ASSEMBLY/STATEHOUSE

Acting Speaker Kirk Schuring (R-Canton) said Thursday he's taken no position on whether his caucus should pick an interim caretaker or a permanent leader to replace ex-Speaker Cliff Rosenberger (R-Clarksville) when House Republicans meet for a leadership election next week. "I'm a process person who believes that we need to make sure that we have a good process. I'm working with folks to make sure that we have a full understanding of the rules for the election, and then I'm also working with all the members to answer any concerns or questions they might have. So, we'll see," he said after chairing Thursday's Ohio Retirement Study Council meeting.

The Senate is likely to move forward on payday lending reform bill HB123 (Koehler-Ashford) in the coming weeks, Senate President Larry Obhof (R-Medina) told reporters Thursday.

GREAT LAKES

Republicans and Democrats in both chambers of the General Assembly on Wednesday officially introduced legislation attempting to comprehensively address the health of Lake Erie. Bills and resolutions from Sen. Randy Gardner (R-Bowling Green), Sen. Sean O'Brien (D-Cortland), Rep. Steve Arndt (R-Port Clinton) and Rep. John Patterson (D-Jefferson) would provide millions of dollars to reduce harmful algal blooms through conservation practices and other initiatives.

HEALTH AND HUMAN SERVICES

Ohio is among the 10 worst states for nurses, a study by personal finance site WalletHub found in advance of National Nurses Week which started May 6. The survey listed states in order from best to worst, with Ohio 42nd overall for a ninth-worst placement. It wasn't alone locally, however, as Kentucky was 41st and Michigan was 40th. Rounding out the neighboring states were West Virginia, 14th; Pennsylvania, 32nd; and Indiana, 35th. The five best states were Maine, Montana, Washington, Wyoming and New Mexico, while the five worst were Tennessee, Louisiana, Alabama, Vermont and Hawaii. The District of Columbia was also included in the report, though it was ranked worse than any state.

HOUSING/HOMELESSNESS

Following the 50th anniversary of the federal Fair Housing Act on April 11, 2018, a wide-ranging report issued by the National Fair Housing Alliance (NFHA) examined the positive outcomes of fair housing initiatives in the context of what it characterized as a society still struggling with racial integration. In its recommendations, the NFHA said the federal government should consider reinstating and effectively implementing the "Affirmatively Furthering Fair Housing Rule"; strengthening the Fair Housing Initiatives Program; improving access to credit for people of color; creating an independent Fair Housing Agency or reforming the U.S. HUD's Office of Fair Housing and Equal Opportunity; and making fair housing and civil rights a priority in disaster recovery efforts.

JUDICIAL

In one of four cases before the Ohio Supreme Court this week, a petroleum company in Youngstown says state law makes clear that oil and gas lease consultants act as realtors and must be licensed as such. On the other side, the Ohio Oil and Gas Association (OOGA) is backing one landman's claim that the Legislature meant to regulate the oil and gas industry "exclusively" under R.C. 1509, and that real estate laws in R.C. 4735 do not apply to third-party negotiators of mineral rights.

Ohio is one of the rare states to recognize a tort claim for intentional spoliation of evidence and should not expand the standard of physical destruction to include withheld evidence, the Supreme Court of Ohio ruled 6-1 Tuesday.

Attorneys for the Ohio Craigslist killer have opposed Ohio Supreme Court Justice R. Patrick DeWine's participation in his Death Row appeal due to DeWine's relationship with the state attorney general, but the Supreme Court on Wednesday denied Richard Beasley's demand that DeWine recuse himself from the case, perhaps signaling the Court's posture in a future ruling on the ongoing disciplinary complaint against the attorney general's son.

LIBRARIES

Local libraries continued their strong rate of success in winning voter approval for funding support, with passage of all 10 levies appearing on Tuesday's ballot, per preliminary election results. According to the Ohio Library Council (OLC), the issues enjoyed an average voter approval rate of 68 percent. This is the fourth election in a row where libraries have run the table on local funding issues, according to OLC.

MARIJUANA

The Ohio Department of Commerce (DOC) should make medical marijuana available through level two cultivator licenses while the courts consider lawsuits concerning level one cultivators, Green Light Acquisitions President Ian James told *Hannah News* on Monday. However, Rob Ryan of medical marijuana advocacy group Ohio Patient Network said he disagrees with that plan, noting that nobody has any idea how many Ohioans will require access to cannabis.

The Ohio Attorney General's Office on Thursday certified a resubmitted petition for a proposed constitutional amendment to legalize marijuana for Ohioans age 21 and older. The initial petition for the "Marijuana Rights and Regulations" amendment was rejected due to deficiencies in the petition summary. The resubmitted petition was certified as containing both the necessary 1,000 valid signatures from registered Ohio voters and a "fair and truthful" summary of the proposed amendment.

MEDICAID/MEDICAID REFORM

State officials and managed care plan (MCP) leaders appeared before the Joint Medicaid Oversight Committee (JMOC) Thursday to discuss their efforts to ensure a smooth transition with the behavioral health redesign integration set for July 1.

The Ohio Attorney General's (AG) Office says the opioid epidemic has provided scammers a golden opportunity to game state Medicaid for fraudulent drug recovery services in the tens of millions of dollars. That was the bad news Tuesday at the statewide Fraud Conference hosted by the AG, Auditor of State's Office, and Association of Certified Fraud Examiners (ACFE). The good news, said Maritsa Flaherty and Greg Haines of the attorney general's office, is that its Medicaid Fraud Control Unit is number one in indictments and number two in convictions among the states.

NATURAL RESOURCES

The artwork of wildlife artist Jocelyn Beatty won first place in the 2018 Ohio Wetlands Habitat Stamp Design Competition, the Ohio Department of Natural Resources (ODNR) announced Monday. Beatty's painting of a pair of redhead ducks will appear on the Ohio Wetlands Habitat Stamp issued in the fall of 2019, according to a news release from the department.

While there is a high range of uncertainty at this time, harmful algal bloom (HAB) forecasters are predicting a less severe Lake Erie bloom this year compared to 2017.

Ohio's oil and gas production growth from horizontal "fracking" slowed in the final months of 2017, though both commodities registered smaller increases over the third quarter of last year.

Wearing a life jacket is critical to boating safely in the Buckeye State, according to the Ohio Department of Natural Resources (ODNR).

PENSIONS

The Ohio Retirement Study Council voted Thursday to endorse statutory changes to bring State Teachers Retirement System (STRS) in line with other systems by capping the amount it can fine school districts for failing to report staffing changes or submit pension contributions. The council also voted to create permissive fine authority for the Highway Patrol Retirement System (HPRS), the only pension plan lacking such powers.

PEOPLE

Brooke Cheney, founder and board chairman of Governmental Policy Group, Inc., announced Friday that Victor Hipsley, its president, has also been elected to serve as the company's chief executive officer.

POLITICS

The Ohio Democratic Party's (ODP) confidence in Richard Cordray's chances to win the governor's race in 2018 has been bolstered by a new survey from Public Policy Polling (PPP), ODP Chairman David Pepper said Wednesday. In the poll conducted May 6-7, the former U.S. Consumer Financial Protection Bureau (CFPB) director holds a five-point lead over Republican opponent Attorney General Mike DeWine. In that same poll, 47 percent of respondents said they voted for President Donald Trump and 42 percent said they voted for Hillary Clinton. Forty-eight percent of respondents approve of Trump's performance, while 47 percent disapprove.

PUBLIC SAFETY

While bashing Michigan -- or "that team up North" -- is an Ohio staple, one place where such sentiments aren't found as easily is on state-approved vanity license plates. At least 10 of the 403 plate requests rejected by the Ohio Department of Public Safety (ODPS) from May 2017 to April 2018 targeted the Wolverines, making anti-Michigan sentiment a dominant one among the plates that weren't simply attempts at profane, crude and/or sexually explicit phrases in general. Profane, crude and explicit plates made up around half of all rejections, and a number of attempts at racial slurs or other similarly offensive statements were made and rejected as well.

REDISTRICTING/REAPPORTIONMENT

Ohio's next congressional map will be drawn under rules meant to limit partisan manipulation after voters overwhelmingly approved a constitutional amendment to reform the process. Issue 1 passed with nearly 75 percent of the vote Tuesday, according to preliminary results from the secretary of state's office. The vote follows one in 2015 when Ohioans approved similar changes to the process for drawing districts for the Ohio General Assembly. The new rules for both state and federal map drawing will apply to districts created for the 2022 election, based on population data from the 2020 Census.

TAXATION

Ohio political groups that often don't see eye-to-eye on policy issues appeared before the Tax Expenditure Review Committee Wednesday to advocate for a careful evaluation and elimination of

at least some of the tax expenditures and exemptions that are estimated to total \$18 billion in revenue costs this biennium. Groups including the Buckeye Institute, Policy Matters Ohio, the County Commissioners Association of Ohio, Northern Ohioans for Budget Legislation Equality and One Ohio Now all advocated for a thorough evaluation of tax exemptions at the final public committee meeting before the panel begins drafting its recommendations for the Legislature, due in July.

TECHNOLOGY

Gov. John Kasich signed an executive order Wednesday to expand Ohio's economy and job market by opening the entire state to autonomous vehicle testing under the supervision of DriveOhio, the administration's public-private partnership promoting smart mobility. Officially launched in January, DriveOhio will license autonomous vehicle testing by private companies on "any public road or highway," according to documents released Wednesday. The program will fall under the direct authority of the governor, who can suspend testing of individual vehicles lacking appropriate safeguards.

JobsOhio announced a new research and development grant supporting Gov. John Kasich's new autonomous vehicle testing program. Columbus-based Pillar Technology will receive \$2 million to accelerate intellectual property related to the development and testing of connected, autonomous and electric vehicles in Ohio. Its latest award, the Research & Development Center Grant program allows JobsOhio to make strategic investments in new R&D centers supporting targeted industries and Ohio's economy.

Customized killer viruses, insect-sized drones with powerful explosives, human-robot "avatars" that murder: those are only a few of the public safety risks looming with the explosion of technology, Techno-Crime Institute President Walt Manning said Monday at the two-day Fraud Conference hosted by the Ohio Attorney General's Office, Auditor of State's Office, and Association of Certified Fraud Examiners (ACFE). Manning told a packed session of law enforcement and security professionals that they will have to move not proactively but "pre-actively" to keep pace with the crimes of the future.

UNIONS

In Monday's meeting of the Controlling Board, members heard updates from the Ohio Department of Administrative Services (DAS) regarding the pending three-year contract with the Ohio Civil Service Employees Association (OSCEA) to renegotiate various aspects of state employees' salaries and benefits. DAS Deputy Director Kristen Rankin told the board that the parties have reached an agreement that includes 2.75 percent pay increases for OSCEA employees to take place in each of July 2018 and July 2019 and a 3 percent increase in July 2020. In addition, Rankin said the contract will allow employees to trade in up to 40 hours of vacation time for wages, and she said it would allow the state more flexibility in negotiating OSCEA employees' health care plans.

UTILITIES

American Electric Power (AEP) of Ohio followed its energy efficiency awards presented last month with Thursday's announcement of economic assistance grants totaling \$122,030 to 15 public and private recipients. Local Economic Assistance Program (LEAP) funding comes as part of National Economic Development Week, May 7-12. Awarded annually since 2005, AEP Ohio's LEAP grants

provide funding to help local communities grow with a focus on retaining and expanding manufacturing jobs.

LEGISLATIVE ACTIVITY:

SENATE:

No legislative activity to report.

HOUSE:

No legislative activity to report.