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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.

AGRICULTURE

The House should move quickly to pass hemp legalization measure SB57 (Huffman-Hill) so Ohioans can obtain cannabidiol (CBD) products legally, advocates said Tuesday during a hearing before the House Agriculture and Rural Development Committee.

ATTORNEY GENERAL

Ohioans victimized by fake computer pop-up warnings of viruses and malware will be receiving refunds negotiated by the Federal Trade Commission in what the FTC calls a "major international crackdown" on tech fraudsters, the Ohio Attorney General's Office announced Monday. Nationwide, the FTC is mailing 222 checks averaging \$417, including more than \$5,000 to a dozen Ohioans.

FY20-21 BUDGET

The House Finance Committee adopted changes to the state budget bill Thursday that would shrink Ohio's pass-through business tax cut to finance income tax cuts in the bottom brackets, add \$125 million to wraparound services funding to drive more resources to address poor rural districts, establish a single pharmacy benefit manager contract for Medicaid and increase Medicaid provider rates. Another round of changes is expected next week before House passage. The substitute version of HB166 (Oelslager) offers a net tax cut of \$100 million, according to House Republicans, eliminating income tax liability for anyone earning less than \$22,500 and cutting taxes by 4.7 percent for those earning from \$22,500 to \$88,800. The income tax deduction threshold for small business income of pass-through entities such as LLCs will be cut from \$250,000 to \$100,000. In addition, the speaker said the House intends in next week's omnibus amendment to also repeal a tax break that allows those pass-through businesses to pay a flat 3 percent tax rate on earnings over \$250,000, rather than the typical income tax rate for earnings of that level of just less than 5 percent. Also the substitute bill eliminates several other tax expenditures.

Senate President Larry Obhof (R-Medina) Monday said he's not concerned about the timeline of the House's deliberation on the budget bill, HB166 (Oelslager), since his chamber has already launched hearings ahead of the House's amendments and floor vote.

Medicaid and behavioral health leaders from the DeWine administration explained Tuesday their efforts to stabilize mental health providers struggling under a recent system redesign and to write new managed care contracts that don't allow so many details to be hidden under the label of trade secrets. Ohio Department of Medicaid (ODM) Director Maureen Corcoran and Ohio Department of Mental Health and Addiction Services (OhioMHAS) Director Lori Criss took questions for more than two hours in the House Finance Committee, returning to the panel a second time in response to lawmakers' request for more details on their spending proposals.

The General Assembly should approve increased funding for the Ohio Commission on Minority Health's (OCMH) infant mortality health grant program, OCMH Executive Director Angela Dawson said Thursday. The executive budget proposal provides nearly \$2 million over the biennium to expand the Certified Pathways Community Hub Model, Dawson told the Senate Finance Health and Medicaid Subcommittee during informal testimony on HB166 (Oelslager). The governor's proposed budget includes \$985,000 in each fiscal year, up from \$844,317 in FY18.

CORRECTIONS

Rep. Glenn Holmes (D-McDonald) is the latest House member to depart, as Gov. Mike DeWine and Ohio Department of Rehabilitation and Correction (DRC) Director Annette Chambers-Smith announced Wednesday his immediate appointment to the Ohio Parole Board as part of a broader series of reforms at the board. Others appointed to the board include Lisa Hoying and Steven Herron. In addition, the governor said the reforms focus on increasing transparency and efficiency surrounding the parole board process; improving victim services; and helping parolees successfully reintegrate back into society.

ECONOMIC DEVELOPMENT

Following a push by Gov. Mike DeWine for JobsOhio to "balance" transparency without impeding economic development negotiations, the nonprofit group released compensation information for top executives Thursday, including a base salary for the current president and CIO and gross 2018 compensation for his predecessor. J.P. Nauseef, named as president in February, receives a base

salary of \$350,000 that does not reflect approximately 5 percent contributions for baseline health care and a 401(k) plan, according to a JobsOhio release. He is also eligible for a performance bonus. Previous President and CIO John Minor's gross compensation for 2018 was \$621,322.62.

Gov. Mike DeWine's administration announced Monday the approval of assistance for four projects expected to create 380 new jobs and retain 455 jobs statewide. During its monthly meeting, the Ohio Tax Credit Authority (TCA) reviewed economic development proposals brought by JobsOhio and its regional partners. Collectively, the projects are expected to result in more than \$23 million in new payroll and spur more than \$91 million in investments across Ohio.

EDUCATION

The House Primary and Secondary Education Committee voted Tuesday to approve a measure repealing the controversial state takeover law for school districts with persistently low grades. The measure to disband academic distress commissions now in control of East Cleveland, Lorain and Youngstown schools, HB154 (Jones-J. Miller), had not been initially scheduled for a vote Tuesday. However, Chairman Lou Blessing (R-Cincinnati) announced after testimony ended that he was using the chairman's prerogative and the committee would be voting the bill out during that hearing. The bill went on to pass the full House 83-12 on Wednesday with the speaker saying it could end up in the budget bill.

A group of Ohio school districts filed an appeal Friday after a Franklin County judge rejected their request to intervene in the state's lawsuit seeking recovery of state funds from Electronic Classroom of Tomorrow (ECOT) founder William Lager. The school districts had claimed the state would not adequately represent their interests because of the political history between Lager and Gov. Mike DeWine, who was attorney general when the lawsuit was filed. However, Judge Kimberly Cocroft noted in her ruling that the state had recently sought to amend its complaint against Lager and other defendants to incorporate parties and claims identified by the school districts in their proposed complaint.

The Ohio Department of Education will accept applications for the next several weeks for districts and charter schools that want to participate in a pilot project for changes to the Ohio Teacher Evaluation System (OTES) that will fully take effect in the 2020-2021 academic year. Lawmakers revised OTES rules in education deregulation measure 132-SB216 (Huffman), guided by recommendations of the Educator Standards Board.

The Ohio Department of Education (ODE) appeared before the Sunset Review Committee Tuesday to testify on five groups that fall under its purview, asking that the Education Management Information System (EMIS) Advisory Council continue to exist and that four committees that have not met since 2017 be permanently sunset. Those four include the ELA/Math/Science/Social Studies Academic Standards Review committees.

ELECTIONS

With the 2018 election cycle behind them, members of Ohio's congressional delegation spent the first quarter of this year refilling their campaign accounts, according to new filings with the Federal Elections Commission.

ELECTIONS 2020

A new poll released by Ohio Northern University (ONU) suggests a Democrat could beat President Donald Trump in 2020 by focusing on the right issues, but not many of the current Democratic field are resonating with voters. If the election were held right now, 41 percent of respondents said they would support a Democrat, while 34 percent said they would support Trump.

ENERGY

A split House subcommittee sent a substitute version of Clean Air Program legislation HB6 (Callender-Wilkin) back to the full House Energy and Natural Resources Committee Thursday. The revised bill lowers the proposed billing charge for residential and commercial customers in the first year but otherwise keeps the monthly electric rider at \$2.50 and \$20, respectively, in perpetuity. It also makes it easier for smaller renewable energy facilities to qualify as a clean air resource and removes the Ohio Air Quality Development Authority's (OAQDA) "sole discretion" in administering the program, at the same time requiring the authority to perform a 10-year review on whether program continuation is "in the public interest." "This is not a be-all, end-all document. There are ongoing conversations and considerations," Co-Chairman Dick Stein (R-Norwalk) of the House Energy Generation Subcommittee said, projecting more amendments during the two meetings scheduled next week in the full committee.

The Senate Energy and Public Utilities Committee set the course for Ohio energy policy in the 133rd General Assembly Tuesday, approving former 1st District Appeals Court Judge Dennis Deters' appointment to the Public Utilities Commission of Ohio (PUCO) and establishing a deadline for policy questions to be submitted to the chairman's office toward a "comprehensive" energy plan for the state.

Committee members attending the hearing had no questions for Deters and unanimously approved Gov. Mike DeWine's second pick for the commission following PUCO Chairman Sam Randazzo's appointment. The full Senate must still confirm Deters, who was sworn in almost one month ago.

ENVIRONMENT

Cleveland is the ninth most polluted city in the nation for year-round particle pollution, while Cincinnati ranks 13th worst in the nation in that metric, according to the American Lung Association's (ALA) 2019 "State of the Air" report. "However, despite their rankings, Cleveland actually earned its first ever passing grade for year-round particle pollution and Cincinnati earned an 'A' grade for short-term particle pollution," ALA said in announcing the findings.

GENERAL ASSEMBLY/STATEHOUSE

Ohio Senate President Larry Obhof (R-Medina) Thursday announced that Rep. Tim Schaffer (R-Lancaster) has been selected to fill the vacancy in Ohio's 20th Senate District seat, which includes Fairfield, Guernsey, Hocking, Morgan and Muskingum counties and parts of Athens and Pickaway counties. The vacancy was created Tuesday, April 2 when former Sen. Brian Hill (R-Zanesville) resigned for a job in the private sector. Schaffer was selected from nearly a dozen applicants for the open seat.

Freshman Rep. Joe Miller (D-Amherst) has wasted little time in his time in the Ohio House, co-sponsoring HB154 (Miller-Jones) which dissolves the state-imposed oversight system for academically failing school districts. "I believe in public education," he told *Hannah News*.

Sen. Nickie Antonio (D-Lakewood) and Rep. Mike Skindell (D-Lakewood) announced Tuesday that they plan to introduce a resolution calling on Congress to abolish corporate personhood. During a press conference at the Statehouse, Antonio said the two lawmakers will also be introducing legislation that would ban corporate personhood in the state as well.

Sens. Theresa Gavarone (R-Bowling Green) and Bob Peterson (R-Sabina) Tuesday introduced SB139, dubbed the First-time Home Buyer Savings Act, which they said will help first time home buyers by incentivizing special savings accounts.

The Capital Square Review and Advisory Board (CSRAB) announced this week that renovation work will begin on a portion of the Ohio Statehouse Parking Garage starting on Monday, May 13. During the repairs, the garage will remain in service, but about 25 percent, or 300 parking spaces, will be under construction. This will include the closure of the underground entrances to the Rhodes Tower as well as the stairwell and elevator at the intersection of Broad and High streets.

Besides the academic distress commission bill, HB154 (Jones-J. Miller), the Ohio House on Wednesday also passed HCR8 (Schaffer) which urges the federal government to change how its safety rating system for commercial truckers treats accidents in which the trucker is not a fault and HB16 (Perales) which allows military service members and their families stationed in Ohio to pay in-state tuition rates at state colleges and universities.

The Ohio Senate Wednesday split on legislation that would increase penalties for those who damage critical infrastructure. Sen. Frank Hoagland (R-Athens) said SB33 insures the safety of critical infrastructure in the state while creating a safer atmosphere for Ohioans to speak out for what they believe in. The vote was 24-8 with Sen. Sean O'Brien (D-Cortland) joining the Republicans in voting for it. The other three bills on the Senate's agenda passed unanimously, including SB45 designating April as "Ohio Native Plant Month"; SB120 (McColley-Rulli) to allow the auditor of state to conduct performance audits on any state institutions of higher education; and SB123 designating the *Dunkleosteus terrelli* as the official state fossil fish.

To fill the vacancy in House District 63 in Trumbull County created by the resignation of Rep. Glenn Holmes (D-McDonald), the House Democratic Caucus is requesting letters of interest from individuals seeking appointment to that seat for the remainder of Holmes' term which runs through December 2020. Applicants should both mail and email resumes and cover letters to House Democratic Chief of Staff Samantha Herd, 77 S. High St.; 14th Fl., Columbus, Ohio 43215; and to samantha.herd@ohiohouse.gov by the close of business on Friday, May 17.

In other action, the House Transportation and Public Safety Committee reported out highway naming bills HB191 (Manchester) and HB192 (Scherer-Wilkin); House Ways and Means Committee reported out HB47 (Greenspan) which deals with property tax complaints and the renaming of the Ohio Legal Assistance Foundation; and HB71 (Scherer-Cera) which deals with cigarette minimum pricing; the House Armed Services and Veterans Affairs Committee reported out HR77 (Weinstein-Perales) which urges the U.S. Department of Defense to fund military construction projects as originally scheduled; the Senate Health, Human Services and Medicaid Committee reported out SB101 (Yuko) which designates May as "Preeclampsia Awareness Month"; and the Senate Higher Education Committee reported out SB120 (McColley-Rulli) which authorizes performance audits of all state higher education institutions.

HEALTH AND HUMAN SERVICES

Ohio has the 10th-lowest ranking for children's health, according to a WalletHub report released Wednesday, with subrankings of sixth-lowest in "nutrition, physical activity and obesity," ninth-lowest in "oral health" and 23rd-lowest in health and access to care. The Buckeye State was second-lowest among its neighbors -- Michigan was ranked 14th-highest overall; followed by Pennsylvania, 19th; West Virginia, 27th; Kentucky, 34th; and Indiana, third-lowest. The report looked at "cost, quality and access" across 33 indicators and it found the average parent pays more than \$230,000 on their child nationally, with health care costs a large part of that. Though around 95 percent of minors have health insurance, that hasn't equaled lower costs, and total spending for children increased by 19.9 percent between 2013 and 2017.

JUDICIAL

The Ohio Supreme Court is set to consider whether state law governing electronic surveillance allows authorities to monitor private communications outside the county where the warrant is issued. The Revised Code permits judges to issue so-called "interception warrants" if law enforcement officials believe someone "has committed, is committing or is about to commit" a crime. The Court has accepted the appeal of a Sandusky County man sentenced to 34 years in prison for multiple counts of drug trafficking and corrupt activity. All but one charge concern cocaine rather than heroin. The case is *State v. Nettles*.

Chief Justice Maureen O'Connor stressed she was not questioning the "good work being done by law enforcement" Thursday in finding Columbus police had violated the constitutional ban on unreasonable search and seizure by detaining and arresting a young African-American male who turned out to be the "first person they encountered" in an area with audible gunfire in *State v. Hairston*. Calling his arrest a "material erosion" of the 4th Amendment, O'Connor and Justice Melody Stewart rejected the Court's 5-2 opinion that officers had reasonable suspicion to draw their guns and later charge 24-year-old Jaonte Demetrice Hairston.

LOBBYISTS

Strategic Health Care, a consulting firm with offices in Columbus, Kentucky and Washington, D.C., announced the hiring of Rick Frank as vice president of government affairs, effective Monday, May 20.

Frank has been system director of government affairs for Premier Health, and his experience also includes work as senior director of government relations for the Ohio Hospital Association, legislative director for the state auditor's office and positions with the Ohio departments of health, job and family services and administrative services.

LOCAL GOVERNMENT

The battle over municipal water rates in Ohio's 1,300-plus townships returned to the Statehouse Wednesday as the head of the Ohio Township Association (OTA) told lawmakers that residents of extraterritorial areas have no democratic safeguard against inflated charges imposed by neighboring cities under constitutional home rule. HB163 (Brinkman) seeks to remedy that by withholding Local Government Funds (LGF) and state water and sewer assistance from offending municipalities.

MARIJUANA/HEMP

With only 15 of a possible 60 medical marijuana dispensaries having received a certificate of operation so far -- two of which were just awarded this week -- Ohio patients are having trouble obtaining legal cannabis, Ohio Board of Pharmacy (OBP) Executive Director Steven Schierholt said Thursday. Speaking to the Senate Finance Health and Medicaid Subcommittee during informal testimony on budget bill HB166 (Oelslager), Schierholt also pointed to cultivator lawsuits, lack of marijuana processors and high prices as other factors leading to only 10,000 of the 25,000 registered patients (as of March 2019) having bought product so far. However, he acknowledged that OBP's projections were way low with regard to the number of patients that would sign up for the program.

MEDICAID/MEDICAID REFORM

As the state enters a potentially lengthy process of rebidding contracts with all Medicaid managed care organizations (MCOs), a recent report examines the history of the program and suggests ways it can continue the system's slow improvements in efficiency and patient outcomes. The report, "Engineering Outcomes: Managed Care and Value-Based Design in Ohio Medicaid" was prepared by Center for Community Solutions Public Policy Fellow Loren Anthes and largely indicates that increased transparency and emphasis on the social determinants of health will help improve the program.

NATURAL RESOURCES

The DeWine administration's 2019 Ohio Sport Fish Consumption Advisory points to five bodies of water with "do not eat" recommendations, according to the Ohio Department of Health (ODH). The report was developed by the ODH, Ohio Environmental Protection Agency (Ohio EPA) and Ohio Department of Natural Resources (ODNR). Ohio has a general advisory in place that recommends limiting to one meal each week of Ohio-caught fish.

American Rivers designated the Cuyahoga River as 2019's "River of the Year," the conservation organization announced. U.S. Sen. Sherrod Brown (D-OH) applauded the group for giving the award to the Cuyahoga River, which is being recognized for the progress that has been made since the river infamously caught fire 50 years ago.

OHIO HISTORY

An enormous, 36-star American flag spanned a wall of the Statehouse Rotunda on Monday, returning to Capitol Square more than 150 years after it flew on the day assassinated President Abraham Lincoln lay in repose there. Gov. Mike DeWine and Senate President Larry Obhof (R-Medina) lauded the descendants of David Nevin Murray, a Portsmouth industrialist who converted his factories in service to the Civil War effort, for donating the historic wool banner to the Ohio History Connection.

PAYDAY LENDING

As the "Fairness in Lending Act" became fully effective on Saturday, April 27, Gov. Mike DeWine said most Ohioans welcome the changes to the short-term lending industry. He said his administration will be monitoring the law's implementation to see if any changes are needed although Pew Charitable Trusts called it "the most consequential and balanced payday loan reform enacted by any state," noting it allows for affordable payments, lower prices and a reasonable amount of time for borrowers to repay loans.

PEOPLE

House Speaker Larry Householder (R-Glenford) was named the recipient of the 2019 Ohio University (OU) Outstanding State Government Alumni Award at the 36th annual OU State Government Alumni Luncheon. The award recognizes outstanding public service in Ohio and is presented annually at the event, which was hosted by OU President Duane Nellis on behalf of OU's George V. Voinovich School of Leadership and Public Affairs.

The Ohio Provider Resource Association (OPRA) Monday announced that Peter Moore has been named president and CEO of the organization that represents Ohio's provider community for people with developmental disabilities.

TAXATION

Several local government representatives appeared before the House Ways and Means Committee Tuesday to voice their support for HB143 (Keller), which would create an income tax credit for volunteer peace officers, firefighters and emergency medical technicians (EMTs). The tax credit would increase over service years with a cap of \$2,000 after 11 or more years of service. A volunteer accrues a service year by participating in at least 15 percent of the organization's emergency runs during a year or by performing tasks other than emergency runs 15 percent of the days in the year.

TECHNOLOGY

Gov. Mike DeWine, Lt. Gov. Jon Husted and the commander of the Air Force Research Laboratory (AFRL) at Wright-Patterson Air Force Base, Maj. Gen. William Cooley, announced Friday that the Ohio Unmanned Aircraft Systems (UAS) Center and AFRL will begin testing what they called "groundbreaking aviation technology" at the Springfield-Beckley Municipal Airport, after receiving approval from the Federal Aviation Administration (FAA). The governor's office said that the approval comes because of new technology developed by the state and AFRL called SkyVision, which allows UAS, or drones, to detect and avoid other aircraft while in flight, creating what they called "an air traffic control system for drones."

Ohio agencies will be moving information to a centralized platform in the coming 12 months, Gov. Mike DeWine and Lt. Gov. Jon Husted announced Monday, as part of a project by the InnovateOhio initiative. The effort is meant to provide increased security, better online services and data analytics and eventual taxpayer savings and builds on previous and ongoing work toward having similar computer systems across state agencies. DeWine signed Executive Order 2019-15D Monday requiring state agencies to transfer data to the platform over the next year, and Husted said some have already begun that work. The project will provide better usage of data to address issues including addiction recovery, infant mortality, school dropout rates, job training programs, which strategies best combat poverty and which state investments have successfully completed goals, Husted said.

TRANSPORTATION/INFRASTRUCTURE

Now that HB62 (Oelslager) is law with its increased gas tax to pay for highway projects around the state, the Transportation Review Advisory Council (TRAC) has begun the process of prioritizing which projects will be receiving funding, with an updated list expected later this year, Ohio Department of Transportation (ODOT) Director Jack Marchbanks told a House subcommittee

Tuesday. House Finance Transportation Subcommittee Chairman Dave Greenspan (R-Westlake) said at the beginning of the hearing that he plans to hold similar hearings with Marchbanks about every eight weeks to get updates on ODOT's progress on new transportation projects.

UTILITIES

The Public Utilities Commission of Ohio (PUCO) has updated its Energy Choice Ohio "Apples to Apples" chart on competitive supplier electric rates with the current price to compare for the local utility's standard service offer (SSO). This saves consumers from having to find the price to compare -- posted in cents per kilowatt hour (KWh) -- in the fine print of their electric bill.

LEGISLATIVE ACTIVITY:

SENATE:

PASSED BY SENATE

- SB33 CRITICAL INFRASTRUCTURE FACILITIES OFFENSES (Sen. Frank Hoagland)
To modify certain criminal offenses with respect to critical infrastructure facilities and to impose fines and civil liability for damage to a critical infrastructure facility.
Vote 24-9
- SB45 OHIO NATIVE PLANT MONTH (Sen. Robert Hackett) To designate the month of April as "Ohio Native Plant Month."
Vote 32-0
- SB120 PERFORMANCE AUDITS-HIGHER EDUCATION (Sen. Robert McColley, Sen. Michael Rulli) To authorize the Auditor of State to conduct performance audits of any and all state institutions of higher education.
Vote 32-0
- SB123 STATE FOSSIL FISH DESIGNATION (Sen. Matt Dolan, Sen. Nathan Manning) To designate the Dunkleosteus terrelli as the official state fossil fish.
Vote 32-0

HOUSE:

PASSED BY HOUSE

- HB16 MILITARY SERVICE-IN-STATE TUITION (Rep. Rick Perales) To grant residency status for in-state college tuition to active duty military service members and their spouses and dependents.
Vote 96-0
- HB154 DISSOLVE DISTRESS COMMISSIONS (Rep. Joe Miller, Rep. Don Jones) To dissolve academic distress commissions and to instead require the creation of community learning centers for buildings in low-performing school districts.
Vote 83-12

ADOPTED BY HOUSE

- HCR8 CRASH INDICATOR-DRIVER AT FAULT (Rep. Tim Schaffer) To urge Congress to encourage the administrator of the FMCSA to change the crash indicator BASIC regulation standards to consider only crashes in which the driver was at fault for the crash.
Vote 96-0