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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

Veterinary medicine and animal-related industries contribute \$13 billion annually in direct and supporting services to Ohio's economy, according to a 2017 analysis by Regionomics, LLC, which researched veterinary medicine's effect in economic activity and employment contributions to the Buckeye State.

The Ohio Department of Agriculture (ODA_g) has issued a public health alert concerning an undetermined amount of protein ice cream produced by Flexfrost, LLC. "Consumers should be aware that these frozen desserts were produced illegally without a license and outside of proper food safety protocols for such products," the department said.

FY18-19 BUDGET

Tax revenues lagged slightly in December but are still a hair above expectations for the year so far, the Office of Budget and Management reported in its preliminary release of monthly budget numbers

Friday. Non-auto sales taxes were the biggest driver of December's underperformance, coming in 1 percent or about \$8 million below estimates, yielding \$809.7 million versus an expected \$817.8 million. Auto sales taxes trailed by a lesser amount, generating a quarter million dollars less than expected, a 0.2 percent drop from projections.

CHILDREN/FAMILIES

Ohio's annual Statehouse gathering to mark Human Trafficking Awareness Day, spearheaded for years by Rep. Teresa Fedor (D-Toledo) and co-hosted this year by Rep. Tavia Galonski (D-Akron), drew hundreds Thursday to Capitol Square. In a panel discussion focused on legal and legislative perspectives, lawmakers and attorneys talked about recent efforts to stem trafficking and help victims, with much of the session focused on SB 4 (Kunze-Oelslager). That bill is meant to allow victims to seek expungement of convictions for crimes they committed as a result of being trafficked.

CIVIL RIGHTS

Gov. John Kasich joined members of the state's Dr. Martin Luther King Jr. Holiday Commission in Columbus Thursday to honor the civil rights leader's legacy and recognize continued efforts to spread equality around the state. At the annual commemorative celebration at Trinity Episcopal Church, Kasich was welcomed as a special guest speaker ahead of Martin Luther King Jr. Day which this year falls on Monday, Jan. 15. He reflected on King as not only a civil rights leader but also a preacher and a man.

DEATH PENALTY

Ohioans to Stop Executions (OTSE) announced plans to host free public screenings of the new film, "The Penalty," across the state from Monday, Jan. 22 to Friday, Jan. 26. Still in competitions and showing in Ohio for the first time, this documentary film follows three individuals affected by different aspects of the death penalty: a man recently exonerated and freed from Death Row as he puts his life back together, a murder victim's family as they traverse the legal process and an attorney as he struggled to keep his client alive.

EDUCATION

Electronic Classroom of Ohio (ECOT) warned repeatedly for months that the state's move to reclaim past funding and garnish ongoing payments could force it to close this year. But the end might instead be imposed by its sponsor, which wrote a letter Wednesday telling ECOT officials it wants to shutter the school next week. In an official notice of its intent to suspend school operations, the Educational Service Center (ESC) of Lake Erie West cites fiscal management problems, inability to follow the law and concerns about the disruptions that would result if ECOT has to shut down this spring in the middle of a semester. The sponsor gave ECOT until next Wednesday, Jan. 17, to submit a proposal to remedy the problems it raised.

Later this month or early in the next, Rep. Mike Duffey (R-Worthington) hopes to introduce legislation to overhaul state report cards for local school districts, which he said suffer from arbitrary measures, questionable methodology and a lack of buy-in from local communities, among other problems. The bill would end the assignment of A-F letter grades.

Superintendent Paolo DeMaria and Ohio Department of Education accountability chief Chris Woolard gave State Board of Education members a broad overview Monday of the components of Ohio's A-F report card for local school districts, priming the pump for future discussions on how the accountability system can change in response to various public pressures and criticisms.

School districts could see improvements on their state report card grades under a change approved by a State Board of Education committee Monday that will modify how high school test re-takes affect local ratings. The Accountability and Continuous Improvement Committee voted to approve creation of a new end of course improvement indicator as part of the report card's Achievement component.

Students in the graduating classes of 2019 and 2020 could get the same flexibility on graduation requirements as those in the class of 2018 after a vote Tuesday by the State Board of Education. But the move ultimately requires action by the General Assembly, and one key legislator said Tuesday the House is already working on its own plan. Rep. Andrew Brenner (R-Powell), chairman of the House Education Committee, showed up near the end of Tuesday's debate in the board's Achievement and Graduation Requirements Committee and quickly dumped cold water on a proposal to extend the 2018 options for two more years.

ELECTIONS

Secretary of State Jon Husted was on hand in Washington, D.C. Wednesday when the U.S. Supreme Court heard oral arguments in *Husted v. A. Philip Randolph Institute*, in which the state is defending its practice of removing voters from the rolls if they do not vote for two federal cycles in a row. Justices are considering the case after the U.S. Sixth Circuit Court of Appeals found parts of Ohio's voter roll maintenance process violates the National Voter Registration Act. Husted and the state argue Ohio's practices are needed to maintain the integrity of the voter rolls and the elections process.

Rep. Kathleen Clyde (D-Kent), a candidate for secretary of state, outlined two new bills that she will be introducing soon with the goal of securing Ohio's elections from cyber hacking and foreign interference, including converting all counties to voter-marked and voter-verified paper ballots.

ELECTIONS 2018

Ohio Treasurer Josh Mandel Friday announced he was dropping his bid to unseat U.S. Sen. Sherrod Brown (D-OH) in November, saying his wife has an unspecified medical issue that will require his time and attention. Mandel announced his decision in an email to supporters. He said he plans to serve out the remainder of his term as state treasurer, and that he hopes "to have the opportunity to serve my state and country again in the future."

With nearly a month to go until the filing deadline, gubernatorial campaigns came more into focus this week as candidates selected their running mates, dropped out or switched races. Here is a summary of the week's developments:

- Ohio Supreme Court Justice Bill O'Neill said Tuesday that has chosen an elementary school principal to run with him as he pursues the Democratic nomination for governor. Larkmoor Elementary School Principal Chantelle Lewis of Lorain County is a former

member of both the East Cleveland Council and East Cleveland Board of Education, according to a news release from O'Neill's campaign.

- Democrats put together a power ticket of their own as former Attorney General Richard Cordray added his formal rival Betty Sutton as his running mate in a move that sees Sutton dropping her gubernatorial bid.

- Lt. Gov. Mary Taylor added former Procter and Gamble executive Nathan Estruth as her running mate.

- On Thursday, U.S. Rep. Jim Renacci (R-Wadsworth) announced he was dropping his gubernatorial campaign in favor of running for the U.S. Senate. His entry in the race puts him in a primary with Cleveland businessman Mike Gibbons, small business owner Melissa Ackison and Legislative Service Commission analyst Don Eckhart. Gibbons released a statement saying he is the outsider candidate that can beat incumbent U.S. Sen. Sherrod Brown. Earlier, Gibbons had announced that he will be pledging \$5 million of his own money to fund his campaign if needed to win in the wake of Ohio Treasurer Josh Mandel's ending his campaign.

- Dayton Mayor Nan Whaley's campaign announced an event for Friday where she is expected to drop out of the gubernatorial race and endorse Democrat Richard Cordray.

- Former U.S. Rep. Dennis Kucinich, the former Cleveland mayor and eight-term congressman, Monday filed a designation of treasurer form with the secretary of state, setting up a campaign committee. By creating "Kucinich for Ohio," he can now begin raising money for a run for governor. He has also invited supporters to an event next week where he is expected to announce the official launch of his gubernatorial campaign.

Both candidates running for secretary of state this year addressed the annual conference of the Ohio Association of Election Officials Wednesday, discussing current and upcoming election issues. Rep. Kathleen Clyde (D-Kent) and Sen. Frank LaRose (R-Copley) promised to have a good working relationship with elections officials if they are elected as the next secretary of state. Clyde said even if they may not agree, she will listen to them, while LaRose said he trusts election officials. Both addressed looming issues of funding new voting machines and cybersecurity.

With U.S. Rep. Pat Tiberi (R-Columbus) officially stepping down on Tuesday, Jan. 16, to become the head of the Ohio Business Roundtable, Gov. John Kasich Friday set the primary and special election to fill the seat. Kasich set the primary election for the 12th Congressional District for Tuesday, May 8, and the special election on Tuesday, Aug. 7, 2018. The May date coincides with the state's 2018 primary election, and the August date has already been set as a special election date by the secretary of state for local entities looking to put ballot issues before voters.

The following endorsements were made over the week:

- The gubernatorial campaign of Mike DeWine announced the endorsement of Butler County Sheriff Richard Jones.

- The state auditor campaign of Zack Space announced the endorsements of U.S. Reps. Joyce Beatty (D-Columbus), Marcia Fudge (D-Warrensville Heights), Marcy Kaptur (D-Toledo) and Tim Ryan (D-Niles).

- Ohio Auditor Dave Yost endorsed Delaware County Prosecutor Carol O'Brien in the race to fill the forthcoming vacancy for the 12th Congressional District seat held by U.S. Rep. Pat Tiberi (R-

Columbus). Yost, who is running for Ohio Attorney General, previously served as Delaware County prosecutor.

- Tom Zawistowski, president of the We the People Convention, endorsed businessman Mike Gibbons in the Republican primary for the U.S. Senate race following the withdrawal of Ohio Treasurer Josh Mandel. - Democratic Progressives of Ohio endorsed Sen. Joe Schiavoni (D-Boardman) for Ohio Governor.

- Four United Food and Commercial Workers (UFCW) local unions endorsed former U.S. Attorney Steve Dettelbach for Ohio Attorney General.

- The gubernatorial campaign of Mike DeWine announced the endorsement of the Scioto County Republican Party.

- Rep. Dave Greenspan's (R-Westlake) re-election campaign announced the following endorsements: Bay Village Mayor Paul Koomar, Councilmember Dwight Clark, Councilmember Dave Tadych, Councilmember Karen Lieske, and Councilmember Tom Henderson; North Olmsted Director of Finance Carrie Copfer, Councilmember Dwayne Limpert, Council President Dwayne Limpert , Councilmember Paul Barker; Fairview Park Councilmember John Hinkel, Councilmember Bill Minek, Councilmember Patrick Manning, Councilmember Jeanine Minek, School Board President Frank Berkopoc; Rocky River Mayor Pam Bobst, Councilmember Tom Hunt, Councilmember Jim Moran, Councilmember John Sheppard, Councilmember David Furry, Councilmember Chris Klym, Councilmember Brian Sindelar; and Westlake Mayor Dennis Clough, Councilmember Lynda M. Appel, Councilmember Nick C. Nunnari, Councilmember Kenneth R. Brady, Councilmember Mark R. Getsay and Councilmember Ed Hack.

- Former Ohio Rep. Seth Morgan endorsed Mary Taylor for governor.

EMPLOYMENT/UNEMPLOYMENT

The nation added 148,000 jobs in December, the U.S. Bureau of Labor Statistics (BLS) said Friday, and the unemployment rate remained at 4.1 percent for the third consecutive month. BLS said the number of unemployed persons was 6.6 million in December, essentially unchanged over the month. Over the year, the unemployment rate and the number of unemployed persons were down by 0.6 percentage points and 926,000, respectively.

ENERGY

The Federal Energy Regulatory Commission (FERC) on Monday rejected a Trump administration proposal to prop up coal and nuclear generation facilities in recognition of their contribution to the reliability and resiliency of the nation's electric grid. U.S. Energy Secretary Rick Perry proposed the subsidies last fall, noting the ability of coal and nuclear facilities to store fuel reserves onsite.

The Ohio Valley Electric Corporation (OVEC) wants federal authorities to allow its generating facilities to become regular participants in Ohio's wholesale market, PJM Interconnection, but the Ohio Consumers' Counsel (OCC) says integrating OVEC into the 13-state regional transmission organization (RTO) would be as bad for Ohio ratepayers as it would be good for major utilities with a stake in the aging coal plants.

The Ohio Power Siting Board (OPSB) has decided to edit and refile its proposed wind turbine farm rules, Joint Committee on Agency Rule Review (JCARR) Executive Director Larry Wolpert said Monday. The agency and Rep. Bill Seitz (R-Cincinnati) are still working to clarify issues with setback requirements, JCARR Chairman Sen. Joe Uecker (R-Loveland) told reporters following Monday's JCARR hearing, which drew no testimony.

In the Senate Energy and Natural Resources Committee Wednesday, the debate on HB114 (Blessing) over Ohio's renewable energy requirements and efficiency standards continued to churn, with opposing sides both arguing their course of action would lead to economic and job growth.

ENVIRONMENT

A new Ohio Environmental Protection Agency (Ohio EPA) grant program will help heavy duty vehicle owners convert their engines to compressed natural gas (CNG), liquefied natural gas (LNG) or liquid petroleum gas (LPG). The grants will apply to diesel- or gasoline-powered class seven and class eight vehicles weighing at least 26,000 pounds, the agency said.

Researchers at the University of Cincinnati (UC) have been awarded a grant from the National Science Foundation (NSF) to develop better ways of detecting deadly bacteria in sources of drinking water. The grant is funded by the CBET Division of Chemical Bioengineering Environmental and Transport Systems of NSF. The goal is to develop highly-selective and fast-responding sensors for the detection and quantification of toxins in drinking water and its sources.

The \$75 million the state gained following Volkswagen's emissions scandal would be used for a variety of projects aimed at reducing nitrogen oxides (NOx) under a mitigation plan drafted by the Ohio Environmental Protection Agency (Ohio EPA).

FEDERAL

U.S. Sen. Rob Portman (R-OH) listed favorable corporate actions related to passage of the federal tax bill in a call with reporters Tuesday. Portman said that around 120 companies have announced new investments, higher wages, better benefits, bonuses and/or increased charitable giving, including Fifth-Third Bank, Western & Southern Financial Group and Sheffer Corporation in Cincinnati; RPM International in Cleveland; and Nationwide Insurance and Wolf Metals in Columbus.

Portman also thinks there will be a "spirited primary" for the Republican nomination to run against U.S. Sen. Sherrod Brown (D-OH). He said he thinks "a lot of people" will enter the race due to the surprise announcement that Ohio Treasurer Josh Mandel was leaving the race due to an unspecified issue affecting his wife. Portman said he knew a close friend with the same illness, which has not been disclosed, and that his prayers were with the Mandel family. While Portman had endorsed Mandel, he told reporters that there were no other contenders at the time and that he does not now have a preferred candidate, nor does he see "a consensus candidate" for the party. He's fielded calls from five people who said they may be interested, and was asked about reports that U.S. Rep. Jim Renacci (R-Wadsworth) or *Hillbilly Elegy* author J.D. Vance may enter the race. (Later in the week, Renacci did enter the race.)

GAMING/GAMBLING

Ohioans spent more on gaming at Ohio's four casinos in 2017 than they did the year before, according to figures released by the Ohio Casino Control Commission. According to the commission, Ohio's four casinos earned nearly \$819 million in 2017, up from \$798 million in 2016. Hollywood Casino Columbus was the top earner with nearly \$221 million, followed by JACK

Cleveland Casino at \$201 million, Hollywood Casino Toledo with nearly \$199 million, and JACK Cincinnati Casino, at nearly \$198 million.

GENERAL ASSEMBLY/STATEHOUSE

House Republican Caucus Chief of Staff Mike Dittoe is taking his talents to the campaign trail, House Speaker Cliff Rosenberger (R-Clarksville) announced Monday. Dittoe will resign Friday, Jan. 26 and begin working full-time for the Ohio House Republican Organizational Committee (OHROC) and Sen. Troy Balderson's (R-Zanesville) congressional campaign. House GOP Deputy Chief of Staff Shawn Kasych will be promoted to chief of staff effective Monday, Jan. 29.

Former Rep. Jim Hoops will return to the House to fill the vacancy left by now-Sen. Robert McColley's (R-Napoleon) appointment to the Ohio Senate while the son of former Rep. Jeff McClain, Riordan McClain, will fill the vacancy left by the resignation of former Rep. Wes Goodman (R-Cardington) over sexual misconduct charges, House Republicans announced Wednesday. Screening panels were led by Speaker Pro Tem Kirk Schuring (R-Canton). They are expected to be sworn in during the Wednesday, Jan. 17 House session.

Sen. John Eklund (R-Chardon) and Rep. Bob Cupp (R-Lima) are working toward merging their bills clarifying that drug offense penalties also apply to compounds containing a detectable amount of any illegal drug, Senate Judiciary Committee Chairman Kevin Bacon (R-Columbus) told *Hannah News* Friday.

The Ohio House announced Tuesday the following changes in assignments on the House Finance Committee: remove Anielski, McColley; appoint Greenspan, Lang; remove Anielski from the House Finance Subcommittee on Higher Education; and appoint Greenspan chair of the House Finance Subcommittee on Transportation.

HEALTH AND HUMAN SERVICES

A new bill to lower prescription drug prices has similar goals to 2017's failed Issue 2 while avoiding the "many things" wrong with it, according to sponsor Sen. Charleta Tavares (D-Columbus). Tavares held a press conference Thursday alongside Universal Health Care Action Network Ohio (UHCAN Ohio) Executive Director Steve Wagner and advanced practice nurse Sue Moore, who both spoke in support of the bill. It has not yet been formally introduced.

INSURANCE

A national study shows Ohioans pay among the lowest average premiums in the nation for auto and homeowners insurance, Director Jillian Froment of the Ohio Department of Insurance (ODI) announced Tuesday. The National Association of Insurance Commissioners found Ohioans paid an average of \$819 (ninth lowest) for homeowners insurance and \$703 (14th lowest) for auto insurance in 2015, the most recent data available, compared to respective national averages of \$1,173 and \$889.

MARIJUANA

The General Assembly should approve his resolution to urge Congress and the U.S. Drug Enforcement Administration (DEA) to reclassify marijuana on the federal drug schedule, Senate

Minority Leader Kenny Yuko (D-Richmond Heights) said Friday, as a way to deal with the recent decision by U.S. Attorney General Jeff Sessions to change the Department of Justice's policy on marijuana enforcement. SCR13 (Yuko) was referred to the Senate Health, Human Services and Medicaid Committee in September 2017 and has not yet received a hearing.

PEOPLE

The Development Services Agency (DSA) announced two promotions in leadership of the Business Services Division, naming Padmini Roy-Dixon as chief and John Werkman as assistant chief. The division oversees "economic, small business and technology-based development efforts," according to DSA, and promotes quality customer service and accountability.

Thomas Luken, a former Cincinnati mayor and congressman, died Wednesday at the age of 92, according to media reports.

REDISTRICTING/REAPPORTIONMENT

The first congressional redistricting proposal to emerge out of a bipartisan legislative working group was not well received by Democrats or members of the coalition seeking to address the issue at the ballot. The Senate Government Oversight and Reform Committee heard a presentation from Sen. Matt Huffman (R-Lima) on Wednesday, during which the veteran lawmaker summarized his proposal, which likely will not be formally drafted until next week. Huffman was joined at the meeting by House Speaker Pro Tempore Kirk Schuring (R-Canton). Huffman and Schuring offered a similar but shortened presentation to the House Government Accountability and Oversight Committee after being hastily added to that committee's agenda Wednesday morning.

In a relevant federal court ruling, a panel of three judges on Tuesday ruled that North Carolina's congressional districts were unconstitutional due to partisan gerrymandering carried out by the state's legislature. The panel ruled that the map, which divided the state into 13 districts of which 10 are Republican, violated the First Amendment, the Equal Protection Clause of the 14th Amendment and Article I, Sections 2 and 4 of the U.S. Constitution. The judges have given the state's legislature until Wednesday, Jan. 24 to enact a new congressional map for the 2018 election.

STATE GOVERNMENT

The Controlling Board Monday approved funding for the operation of the Ohio Administrative Knowledge System (OAKS) requested by the Ohio Department of Administrative Services (DAS), though lawmakers asked the agency why funding was not included in the FY18-19 budget. Jennifer Leymaster, chief financial officer for DAS, said the agency provides the services through OAKS and charges other state agencies for its use. She said the expected charges were included in DAS' executive budget but that other costs were not in the budget, including services she said will enhance the system, such as security. She said some of the programs they're requesting funding for were in

development, and the agency knew there would be costs but could not say how much actual costs would be.

TAXATION

The Internal Revenue Service (IRS) Thursday released Notice 1036, which updates the income tax withholding tables for 2018 to reflect changes made by the federal tax reform legislation enacted last month. This is the first in a series of steps the IRS said it will take to help improve the accuracy of withholding following major changes made by the new tax law. The notice can be found online at <https://www.irs.gov/pub/irs-pdf/n1036.pdf>.

UNEMPLOYMENT COMPENSATION

Legislation concerning changes in unemployment compensation law, HB 382 (Schuring), received testimony for the first time since its third hearing on Nov. 1, when two witnesses offered interested party testimony. Wednesday marked the seventh hearing for the bill, with opponent testimony offered by the Ohio AFL-CIO and the Ohio Poverty Law Center, while interested party testimony was given by Policy Matters Ohio and Advocates for Ohio's Future. The bill has yet to receive any proponent testimony.

LEGISLATIVE ACTIVITY:

Session was not held this week.