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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.

ADDICTION/SUBSTANCE ABUSE

The Portuguese government's decision to decriminalize small amounts of drugs -- including heroin -- and create a national health treatment outreach program significantly reduced drug overdose deaths and HIV rates, according to the founder of the Children's Trauma Center at Cincinnati Children's Hospital Medical Center. Portugal's drug overdose rate is now one-tenth of its previous rate before decriminalization, and one-fiftieth the rate of the U.S., Dr. Victor Garcia told attendees of Attorney General Mike DeWine's "Ideas for Advocacy" conference on Ohio State University's campus Tuesday. Garcia said Portugal spends \$10 per citizen per year on preventive drug policy, while the U.S. spends \$10,000 per household.

AGRICULTURE

State officials recently confirmed a positive case of Chronic Wasting Disease (CWD) in a captive deer, the Ohio Department of Agriculture (ODAg) announced Friday. The positive sample was taken

from a single buck on a hunting preserve in Guernsey County and tested as part of Ohio's CWD monitoring program for captive white-tailed deer operations.

ATTORNEY GENERAL

Ohio Attorney General Mike DeWine on Friday announced the top 10 consumer complaints his office received in 2017, when more than 22,000 complaints were filed. By far the highest number of complaints dealt with used car sales.

AUDITOR OF STATE

State Auditor Dave Yost wants to help local governments and Ohioans fortify themselves from digital threats and fend off cyberattacks by offering a free, on-demand 90-minute webinar. The webinar follows popular training sessions held in communities throughout Ohio in 2017. Training sessions are geared toward helping government officials prevent and deal with cyberattacks.

ECONOMIC DEVELOPMENT

Amazon announced Thursday morning that it has whittled the 238 cities that applied to be the site for the company's second headquarters in North America to 20, and Columbus is on the list.

EDUCATION

School districts have left as much as \$11.5 million from the state's Lead Plumbing Fixture Replacement Assistance Grant Program on the table, state communications officials announced. Only about \$500,000 of the \$12 million made available in 131-HB390 (Schaffer-Retherford) has been reimbursed as of Dec. 31, 2017, according to a document from the Ohio Facilities Construction Commission (OFCC).

The new version of ACT WorkKeys, the job skills assessment that is used as part of Ohio's graduation requirements, will become available Thursday, Feb. 1, and the old version will stop being available, according to the Ohio Department of Education (ODE.)

Electronic Classroom of Tomorrow (ECOT) appealed Wednesday night to its sponsor and the Ohio Department of Education (ODE) with a plan to stay open at least through the end of the school year, offering to take its controversial founder out of the picture. But the sponsor, the Educational Service Center of Lake Erie West, voted Thursday night to shut down the school, and is asking a Franklin County judge to put the school in receivership.

Ohio's plan to implement the federal Every Student Succeeds Act (ESSA) was approved Wednesday by the U.S. Department of Education. "Ohio's plan met the requirements of the law, and so I am happy to approve it," said U.S. Department of Education Secretary Betsy DeVos. "This plan should not be seen as a ceiling, but as a foundation upon which Ohio can improve education for its students."

ELECTIONS 2018

Dayton Mayor Nan Whaley dropped out of the governor's race on Friday and endorsed Richard Cordray's candidacy for the highest office in the state.

Former U.S. Rep. Dennis Kucinich kicked off his campaign for governor on Wednesday, announcing his bid in Cleveland before making stops in other cities including Columbus to promote the campaign. Kucinich, the former Cleveland mayor who served in Congress for 16 years before losing a primary after his district was drawn in with U.S. Rep. Marcy Kaptur (D-Toledo), said he wants to make state government in Ohio "subject to power of 'We the People,'" and outlined a lengthy campaign platform.

Attorney General Mike DeWine, speaking at the Career-Technical and Adult Education Legislative Seminar Wednesday, identified education and the drug epidemic as two factors that must be addressed when looking at jobs and pro-growth strategies for the state. DeWine, who is running for the Republican nomination for governor, told those in attendance that in the education arena he believes there is a "culture problem." Too long, he said, success has been defined as a single path that has included a four-year college degree with the attitude that "the dumb kids" went to career centers. "As governor, I will change that perception," DeWine told the group, by what he "holds up," what he talks about and where he visits.

Jackie Patton, a nurse and the wellness coordinator for Columbus City Schools, announced over the weekend she will run as a Democrat in the 12th District congressional race. After announcing his plans months ago, U.S. Rep. Pat Tiberi (R-Westerville) officially resigned the seat this week to take over as head of the Ohio Business Roundtable.

State Sen. Kevin Bacon (R-Columbus) announced further campaign staff for his bid for the 12th Congressional District seat, replacing U.S. Rep. Pat Tiberi (R-Columbus): Laura Bates is leading fundraising efforts while the Tarrance Group is the pollster for the campaign and Emily Hoover of Campaign Financial will handle campaign finance compliance.

Lt. Gov. Mary Taylor announced changes to her gubernatorial campaign staff on Tuesday including naming Erica Nurnberg as deputy campaign manager and political director. Nurnberg, of Columbus, held the same position on State Treasurer Josh Mandel's recently ended campaign for the U.S. Senate. Taylor also promoted former Finance Director Beau Euton to campaign manager and named Jeananne Chadsey to replace her.

Randi Clites announced she has filed to run for the 75th House District seat currently held by Rep. Kathleen Clyde (D-Kent), who is term-limited. Clites is currently the associate director of the Northern Ohio Hemophilia Foundation and serves as the advocacy coordinator for the Ohio Bleeding Disorders Council.

Former Ohio Rep. Connie Pillich Thursday announced Mayor Scott Schertzer is her pick for lieutenant governor as she seeks the Democratic nomination in a still-crowded field.

Reps. Jim Hughes (R-Columbus) and Jeff Rezabek (R-Dayton) announced this week that they are running for local judicial races in their respective counties instead of re-election, leaving two races without incumbents before the filing deadline on Wednesday, Feb. 7.

The following endorsements were made over the week:

- Sen. Kevin Bacon (R-Columbus) was endorsed for the 12th Congressional District seat by Franklin County Auditor Clarence Mingo.

- The DeWine Husted for Ohio campaign announced the endorsement of the Pike County Republican Party, Senate President Larry Obhof (R-Medina) and Butler County Sheriff Richard Jones.
- House Speaker Cliff Rosenberger (R-Clarksville) endorsed Willoughby Hills Councilman-at-Large John Plecnik for the Ohio House District 61 seat, noting he is also endorsed by incumbent Rep. Ron Young (R-Painesville), who is term limited.
- The gubernatorial campaign of Mike DeWine announced the endorsement of Cincinnati City Councilwoman Amy Murray, a former candidate for lieutenant governor.
- The attorney general campaign of Zack Space announced the endorsements of Columbus Mayor Andrew J. Ginther; Cincinnati Mayor John Cranley; Toledo Mayor Wade Kapszukiewicz; Dayton Mayor Nan Whaley; Lorain Mayor Chase Ritenauer; Lima Mayor David Berger; Marion Mayor Scott Schertzer; Zanesville Mayor Jeff L. Tilton; Athens Mayor Steve Patterson; Chillicothe Mayor Luke Feeney; former Steubenville Mayor Domenick Mucci; Mount Vernon Mayor Richard K. Mavis; Marietta Mayor Joe Matthews; Belpre Mayor Michael Lorentz; Glouster Mayor Miles Wolf; and Amesville Mayor Gary Goosman.
- Democratic Progressives of Ohio endorsed Democrat Rick Neal for the 15th Congressional District.

ENERGY

Different factions of the energy industry had a contentious discussion at a meeting of the House Speaker's Energy Task Force meeting Thursday, where the panel heard three presentations on the issues of increasing transmission rates for energy suppliers, energy management solutions at Ohio State University (OSU) and customer-driven energy models.

FEDERAL

At the start of a week that will end in either a spending deal or government shutdown, U.S. Sen. Rob Portman (R-OH) said urgent issues should be dealt with as "clean" bills rather than combined into one package. These include renewing funding for the Children's Health Insurance Program (CHIP) and addressing the status of recipients of the Deferred Action for Childhood Arrivals (DACA) program, which President Donald Trump announced in September would end by March unless Congress enacted new legislation.

Following the fourth judicial rejection of the U.S. Department of Labor's (USDOL) six-part test for determining whether interns and students are employees under the Fair Labor Standards Act (FLSA), the Trump administration earlier this month said it was conforming DOL criteria to the "appellate court rulings by using the same 'primary beneficiary' test that these courts use to determine whether interns are employees under the FLSA." A USDOL fact sheet explains that, "The FLSA requires 'for-profit' employers to pay employees for their work. Interns and students, however, may not be 'employees' under the FLSA -- in which case the FLSA does not require compensation for their work."

As congressional lawmakers draw closer to a Friday deadline before a potential government shutdown, Sen. Sherrod Brown (D-OH) remains hopeful that leaders will hammer out a deal to keep the government open while also funding a popular children's health insurance program, Children's Health Insurance Program (CHIP).

GENERAL ASSEMBLY/STATEHOUSE

Senators on both sides of the aisle generally agreed Wednesday that Justice William O'Neill's actions of the past three months as a sitting judge and candidate for governor are indefensible, though Democrats called the concurrent resolution "summoning" him to the Senate a political stunt and overreach into the enforcement of Ohio Supreme Court Rules of Judicial Conduct. Republicans countered that they have sufficient legal cover in the Ohio Constitution and Ohio Revised Code to begin O'Neill's removal. Senate President Larry Obhof (R-Medina) rose to introduce SCR20 (Obhof-Peterson) on the floor, calling the pending vote merely the "first step" and not a referendum on O'Neill's removal from office. It passed 25-8 with Sen. Joe Schiavoni (D-Boardman) -- a gubernatorial candidate himself -- voting for it.

Two new members were seated by the Ohio House during Wednesday's session, including one very familiar with the chamber. Rep. Jim Hoops (R-Napoleon) told his colleagues that it has been almost 11 years since he last stood on the floor in the chamber. He replaced former Rep. Robert McColley, who was appointed to a vacant Senate seat. Also seated was Rep. Rioridan McClain (R-Upper Sandusky), the son of former Rep. Jeff McClain. He replaces former Rep. Wes Goodman, who resigned after an inappropriate relationship occurred in his state office.

The House also approved a resolution that would authorize the "State of the State" address to be held in Westerville. Rep. Anne Gonzales (R-Westerville) noted that Gov. John Kasich announced his gubernatorial campaign in Westerville, and by giving the address there, it brings his administration full circle.

MEDICAID/MEDICAID REFORM

The Centers for Medicare and Medicaid Services (CMS) this week announced it would allow states to test programs where work or other community engagement would be a condition for Medicaid eligibility for able-bodied, working-age adults. Governor's Office of Health Transformation Director Greg Moody told *Hannah News* the changes had been expected, and his office will be reviewing them and the state budget provision requiring the administration submit a request related to work or community engagement requirements. "... sooner rather than later we will start to have a public conversation on that to understand what people think should be the most constructive path forward," Moody said.

Children's health advocates were joined by Director Greg Moody of the Governor's Office of Health Transformation in calling on Congress to swiftly reauthorize the Children's Health Insurance Program (CHIP). There are around 220,000 children enrolled through the CHIP program in Ohio.

NATURAL RESOURCES

Rick Simmers, chief of ODN's Oil and Gas Division, promised an acceleration in plugging of orphan wells Tuesday in a hearing where lawmakers unanimously passed legislation meant to prompt greater action on addressing the abandoned drill sites. HB225 (Thompson) went on to pass the full House on Wednesday.

More than \$240,000 from Ohio's Waterways Safety Fund is being provided to support 10 community boating safety education programs this year, according to ODN.

ODNR announced Tuesday that its Division of Wildlife is joining more than 20 states in the adoption of a wildlife K-9 program. One wildlife officer from each of Ohio's five wildlife districts will become handlers in the program. These highly skilled K-9s are trained to detect hidden wild game such as white-tailed deer, turkey, waterfowl and fish, along with other non-game scents like ginseng and gun powder. They will also have the ability to track people and will be used to find lost hunters and people hunting without permission.

PAYDAY LENDING

Payday lending restrictions were back up for debate Wednesday in a House committee, with a slew of witnesses on both sides testifying on the latest proposal to limit short-term loans. Ohio passed payday lending restrictions, including an interest rate cap, several years ago, and the law survived a referendum at the ballot. But lenders quickly skirted the new law by seeking to operate under other Ohio lending statutes.

REDISTRICTING/REAPPORTIONMENT

The Fair Districts=Fair Elections Coalition's proposal is vague and would likely result in federal courts' drawing congressional districts, Sen. Matt Huffman (R-Lima) said Wednesday. Speaking to the Senate Government Oversight and Reform Committee during sponsor testimony on his SJR5, Huffman reiterated his belief that the General Assembly is required by the U.S. Constitution to control the drawing of congressional districts. He said the Fair Districts group, which is collecting signatures to place its measure on the 2018 general election ballot, would inappropriately cut the Legislature out of the process and enshrine ambiguous and flawed language into the Ohio Constitution.

TAXATION

While *Governing Magazine* reported that, "Few developments in Washington will have as direct an effect on state budgeting as the Republican efforts to revise the federal tax code ...," that is not true for Ohio. *Hannah News* spoke with Office of Budget and Management (OBM) Director Tim Keen, who said that the federal tax reform legislation as finally passed by Congress and signed by the president in December will "have very few direct effects on Ohio's [personal income] tax system" because, he explained, the bulk of the federal changes were to tax provisions taken after the taxpayer calculates his or her federal adjusted gross income (FAGI); Ohio's tax calculations start with the FAGI, applying its own rates and exemptions. "There will be no material effect on the state's tax receipts." In addition, he noted that the federal business tax changes will have "no impact on Ohio" because the state no longer has a corporate franchise tax. Ohio instead levies the Commercial Activity Tax (CAT), which is not affected.

The U.S. Supreme Court agreed Friday to hear a case on whether states can require businesses to collect sales taxes for online purchases. The case could have implications for Ohio's budget, as Ohio leaders have shifted more of the tax burden to sales taxes and away from income taxes in recent years. In *South Dakota v. Wayfair Inc. et al*, South Dakota is defending a law it passed that directly challenges the Supreme Court's precedent in *Quill Corp. v. North Dakota*, which found online sales tax collection was a matter of interstate commerce and thus up to Congress, not state legislatures, to decide. Under *Quill*, a state can only require collection of sales taxes from businesses with a physical presence in the state.

Legislative proposals to restrict local governments' powers to challenge property values and to delay taxation on increased values for housing developments passed the House Ways and Means Committee on Tuesday, one along party lines and the other in a mixed vote.

TOBACCO/SMOKING

The 2017 Ohio Health Issues Poll (OHIP), conducted by Cincinnati nonprofit Interact for Health, found that a majority of Ohioans favor raising the minimum age to buy tobacco to 21, a trend that held true across most demographics surveyed.

TRANSPORTATION

Saying he was "signing the future," Gov. John Kasich issued an executive order Thursday to unify infrastructure and connected and autonomous vehicle research within DriveOhio, a center initially housed within the Ohio Department of Transportation (ODOT).

UTILITIES

Recent oral arguments on net metering rules approved by the Public Utilities Commission of Ohio (PUCO) turned on the debate over whether utility customers with distributed generation facilities should receive compensation for grid capacity or for kilowatts hours only. The commission heard from most of the major utilities, renewable energy advocates, environmental activists, and the Ohio Consumers' Counsel (OCC).

The Public Utilities Commission of Ohio (PUCO) is now seeking comments on the impact of the federal Tax Cuts and Jobs Act of 2017 on the tax rates of public utilities regulated by the state. Comments are due Feb. 15, 2018.

Public Utilities Commission of Ohio (PUCO) Commissioner Beth Trombold is facing a diverse group of challengers in her quest for reappointment to the PUCO. Besides Trombold's, the commission received the following seven other applications for her expiring seat: Trey Addison of New Albany, director of government relations for AARP Ohio; Doug Bolton of Bellbrook, a self-described social and civic sector leader; attorney Ronald Russo of Willoughby who has held various responsibilities with Strata Solar Corp.; Gregory Schill of Cincinnati, a detective with the Montgomery Division of Police; Stephen Serraino of Holland, general counsel and corporate secretary to Upper Peninsula Power Company; Dana Sillman of Smithville, a coordinator and highway technician with the Ohio Department of Transportation (ODOT); and David Wade of Avon Lake, a retired executive vice president of Mead O'Brien.

Witnesses supporting Rep. Mark Romanchuk's (R-Mansfield) overhaul of Ohio's regulated utility system, HB247, acknowledged past support for electric security plans (ESP) as one ratemaking option but said Tuesday in testimony before the House Public Utilities Committee that the proliferation of non-bypassable bill riders has gotten out of hand. Representatives of the Ohio Manufacturers' Association (OMA), Ohio Hotel and Lodging Association (OHLA) and Environmental Policy Law Center (EPLC) said utilities have been using riders as a back-door subsidy to otherwise-deregulated generating plants struggling to compete in the open market.

The newest version of a bill addressing the reselling of electricity at marked-up prices to residents of apartments and condominiums is being jointly criticized by two often antagonistic organizations --

American Electric Power (AEP) and the Ohio Consumers' Counsel (OCC). The Senate Public Utilities Committee on Thursday adopted a substitute version of SB157 (Bacon), which Sen. Kevin Bacon (R-Columbus) explained makes a number of consumer-friendly changes, but admitted they wouldn't be enough to gain the support of groups concerned about consumer protection.

The Public Utilities Commission of Ohio (PUCO) Wednesday accepted the results of Vectren Energy Delivery of Ohio's auction for its default natural gas service. The auction secured natural gas supplies for Vectren's customers from April 1, 2018 to March 31, 2019 and established a retail price adjustment of \$0.087 per hundred cubic feet (ccf).

LEGISLATIVE ACTIVITY:

HOUSE

PASSED BY HOUSE

HB225 ABANDONED WELL REGULATION (Rep. Andrew Thompson) To allow a landowner to report an idle and orphaned well or abandoned well, to require the Chief of the Division of Oil and Gas Resources Management to inspect and classify such a well, to require the Chief to begin plugging a well classified as distressed-high priority within a specified time period, and to authorize an income tax deduction for reimbursements paid by the state to a landowner for costs incurred to plug an idle or orphaned well.

Vote 96-0

HB340 PUBLIC ASSISTANCE RECIPIENTS-INFORMATION RELEASE (Rep. Ron Young) Regarding the release of information concerning public and medical assistance recipients.

Vote 96-0

HB353 UNCLAIMED FUNDS EXEMPTION (Rep. William Reineke) To make changes to the exemptions under the Unclaimed Funds Law.

Vote 96-0

ADOPTED BY HOUSE

HCR9 CLAUDIA HOERIG EXTRADITION (Rep. Glenn Holmes) To urge the President of the United States, the United States Secretary of State, and the Congress of the United States to compel Brazil to extradite Claudia Hoerig to stand trial for the aggravated murder of her husband, Major Karl Hoerig, and to request that the United States terminate foreign aid payments to Brazil if Claudia Hoerig is not extradited.

Vote 94-1

HJR13 JOINT SESSION-STATE OF THE STATE WESTERVILLE (Rep. Anne Gonzales) Authorizing a joint session of the Ohio General Assembly to meet at the Fritsche Theatre in Westerville, Ohio, for the purpose of receiving a message from the Governor and calling for a committee to wait upon the Governor in anticipation of his State of the State Address.

Vote 62-34

HR353 RELATIVE TO THE ELECTION OF JIM HOOPS-81ST HOUSE DISTRICT (Rep. Cliff Rosenberger) Relative to the election of Jim Hoops to fill the vacancy in the membership of the House of Representatives created by the resignation of Robert McColley of the 81st House District.

Vote 64-0

HR354 RELATIVE TO THE ELECTION OF RIORDAN MCCLAIN-87TH HOUSE DISTRICT (Rep. Cliff Rosenberger) Relative to the election of Riordan McClain to fill the vacancy in the membership of the House of Representatives created by the resignation of Wesley A. Goodman of the 87th House District.

Vote 65-0

SENATE

PASSED BY SENATE

HB44 DAY DESIGNATION-FIRST RESPONDERS (Rep. Bill Patmon) To designate May 24 as First Responders' Appreciation Day.

Vote 33-0

SB28 DISPOSITION OF FETAL REMAINS (Sen. Joe Uecker) Regarding final disposition of fetal remains from surgical abortions.

Vote 24-9

SB81 CONCEALED CARRY LICENSURE-VETERANS (Sen. Louis Terhar) To waive the concealed carry license fee for active members of the armed forces and retired and honorably discharged veterans, to accept military experience with firearms as proof of competency with firearms regardless of when the applicant for a license acquired the experience, to permit a licensee to renew a concealed handgun license at any time before the expiration of the license, and to require the Attorney General to monitor the number of license fees waived and cap the total amount allowed to be waived at \$1.5 million.

Vote 31-2

ADOPTED BY SENATE

SCR20 SUMMONING JUSTICE WILLIAM O'NEILL (Sen. Larry Obhof, Sen. Bob Peterson) Summoning the Honorable William M. O'Neill, Justice of the Supreme Court of Ohio, to appear before the General Assembly and show cause why he should not be removed from office under Article IV, Section 17 of the Ohio Constitution.

Vote 25-8